

OHIO STATE
UNIVERSITY
JUN 8 1930
LIBRARY





You can call the roll of the 48 states and all the provinces by the license tags of cars that park around Dufferin Terrace—where the outdoor cafe of Chateau Frontenac provides a restful haven and refreshing Coca-Cola.

It
had to be good
to get where
it is

Drink
Coca-Cola
Delicious and Refreshing

Coming and going through Old Quebec the touring thousands *pause and refresh themselves*

SPRINGTIME again and the call of the open road. Old Quebec City, where everybody goes or wants to go. California and Oregon park with Georgia and Massachusetts to enjoy *the pause that refreshes*. Through rose-colored glasses of ice-cold Coca-Cola tired tourists review one of the great joys of the long, long trail. For, across the Dominion and in every city, town and ham-

let in the U. S. A., there's no drink so easy to get, so popular and so surely refreshing. »»» And at home in office or workshop, along hot, crowded city streets, how cheerful this same pause. You relax and enjoy that cool, wholesome refreshment only Coca-Cola can give. Ice-cold, tingling, delicious, it's the one drink that fits all times, all places, all thirsty needs.

THE BEST SERVED DRINK IN THE WORLD
A pure drink of natural flavors served ice-cold in its own glass and in its own bottle: The crystal-thin Coca-Cola glass that represents the best in soda fountain service. The distinctive Coca-Cola bottle you can always identify; it is sterilized, filled and sealed air-tight without the touch of human hands, insuring purity and wholesomeness.

LISTEN IN Grantland Rice
Famous Sports Champions Coca-Cola
Orchestra Wednesday, 10:30 to 11 p. m.
E. S. T. Coast to Coast NBC Network

The Coca-Cola Co., Atlanta, Ga.



"America's Finest Ginger Ale"

A high collection percentage each month is an accomplishment of great benefit to business.

In recognition of this we offer a carton of Busch extra dry ginger ale each month—not just to one but to ten credit men reporting the highest monthly collection percentage anywhere in the United States.

Send in your collection percentages each month to the Credit World and win a carton of America's finest ginger ale.



The high collection percentage winners for April were

Austin Carey
DeSota Hardware Company
Memphis, Tennessee

G. C. Driver
May Company
Cleveland, Ohio

C. P. Gordon
Browning, King & Company
Denver, Colorado

R. J. Hewitt
The Hub
Baltimore, Maryland

C. F. Jackson
Famous & Barr Company
St. Louis, Missouri

P. W. Schaefer
Railey-Milam Hardware Company
Miami, Florida

Milton Solon
The Dayton Company
Minneapolis, Minnesota

Robert Stern
A. Harris & Company
Dallas, Texas

H. O. Wrenn
Nebraska Clothing Company
Omaha, Nebraska

C. P. Younts
Frank T. Budge Company
Miami, Florida

A quality that sustains an established reputation both for the makers and those who serve

BUSCH EXTRA DRY

ANHEUSER-BUSCH - - ST. LOUIS

The Bentley School of Accounting and Finance

THE LARGEST PROFESSIONAL SCHOOL IN THE WORLD
DEVOTED EXCLUSIVELY TO TRAINING MEN FOR SPECIALIZED POSITIONS IN ACCOUNTING AND FINANCE

Started in 1917 with 27 students. Enrollment this year 2648 students

Number of Graduates

Day Division	1,437
Evening Division.....	1,142
Total.....	2,579

THE following statistics were compiled last year from reports received from the graduates of our EVENING division, *one hundred per cent reporting*. Similar statistics will be obtained this year from the graduates of our Day division.

Average Age

At time of entering the Bentley School	23
At time of graduating	27
Youngest at time of graduating, 20; oldest 55	

Average Earnings upon Entering and upon Graduating

At time of entering the Bentley School	\$1,208
At time of graduating	1,865
54 per cent increase while in attendance	

Average Earnings in 1929

Class	Years after graduating	Amount	Per cent of increase since entering
1920	9	\$6,307	467%
1921	8	5,632	432%
1922	7	4,148	235%
1923	6	3,398	170%
1924	5	2,965	151%
1925	4	2,732	114%
1926	3	2,592	107%
1927	2	2,239	92%
1928	1	1,987	74%
1929	0	1,782	44%

Excellent living accommodations at our dormitories and fraternity houses at reasonable rates. Completion of courses requires two years in the Day division or four years in the Evening division. Catalog will be sent on request.

HARRY C. BENTLEY, C. P. A., President

THE BENTLEY SCHOOL of ACCOUNTING and FINANCE

921 BOYLSTON STREET, BOSTON, MASSACHUSETTS

THE CREDIT WORLD

Official Magazine of the National Retail Credit Association

JUNE, 1930

VOL. XVIII

NO. 10

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This publication carries authoritative notices and articles in regard to the activities of the National Retail Credit Association; in all other respects the Association cannot be responsible for the contents thereof or for the opinions of writers.

CHANGE OF ADDRESS: A request for change of address must reach us at least one month before the date of the issue with which it is to take effect. Duplicate copies cannot be sent without charge to replace those undelivered through failure to send this advance notice. With your new address it is absolutely essential that you also send us your old one. Entered as second-class matter Sept 18, 1929, at the post office at Mount Morris, Illinois, under the Act of March 3, 1879.

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EDITORIAL OFFICE
1218 Olive St., St. Louis, Missouri.

The Helmsman—a dramatized presentation of the trade mark of Seaman Paper Company was painted by Samuel Jay Smith and reproduced by the Ellis T. Gash Co., Inc., of Chicago. The plates were very kindly loaned to the Credit World by Mr. Wm. O'Bear of the Seaman Paper Company, St. Louis. We take this opportunity to thank Mr. O'Bear and the Seaman Paper Company for this beautiful cover subject so appropriate at this time in its inspirational value to our members.



"... and he watched how the veering flaw did blow ... then steered for the open sea."—Longfellow.

Our Cover "The Helmsman"

**There is nothing really ominous now
on the business sky except our own
foolish fear of rough weather and this
astigma has kept a ring around the moon**

"**L**AST night the moon had a golden ring-tonight no moon we see." Those are dangerous signs to the mariner, who dares not disregard them. There are dangerous signs for the credit man too, but Divine Providence has not supplied the moon with the golden ring.

It is often difficult for the credit man to see "how the veering flaw doth blow." He steers by a good compass, "character," but his compass must be frequently oriented and demagnetized through the credit bureaus, and especially the credit man like the sea captain must be constantly informed of danger indications—bad weather signs—so that the fogs, the storms, or the calms do not wreck him or leave him in the doldrums.

We have introduced a new department in the CREDIT WORLD which is contributed this month by Horace W. Pote, an able analyst, which will chart the veering flaw of business and condense it—for the convenience and guidance of our readers.

It is acknowledged that these are treacherous days but there is nothing really ominous now in the business

sky except our own foolish fear of rough weather and this astigma has kept a ring around the moon.

The good ship Credit, however, is seaworthy. Its seams are all tight and staunchly caulked—its

coal bunkers are held safely closed under the weight of sixty million cards in our bureaus and its compass "Character" is set true. It's safe to steer for the wide open sea.

The most potent element in our business structure today is Consumer Credit. It does more than any other factor in eliminating the valleys and peaks from business and maintaining it on an even keel. Take credit away from industries and we would have a panic proper. It is just as important to the public, and installment selling is sound and economically advantageous, as proven by the low loss ratio; and instead of making us a spendthrift nation, as some of our foreign critics have contended, it has made us a thrift nation. In the words of President Hoover, "it has actually increased consumption while stimulating thrift," or, as Edison puts it, "Installment selling is more practicable than accumulation for what we want by saving first."

Yes! It is safe to steer for the open sea of Consumer Credit, but it is important that the captain knows his course and follows his compass.

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CREDITORIALS*

WHAT'S AHEAD FOR BUSINESS

By Those Who Ought to Know
—A Few High Lights from the
18th Annual Meeting of the U.
S. Chamber of Commerce

tions under which some crises in our past have arisen. Emphasis was laid on the Federal Reserve System and its protection against financial disturbance which in the past has been one of the most difficult obstructions to recovery. He spoke with commendation of the standard set by leading employers that there would be no movement to reduce wages and a corresponding assurance from leaders of labor that they would use every influence to allay labor conflict and cooperate with employers in the present situation.

He then pointed out that, through voluntary organization of industry, continuity and expansion in construction and maintenance work would aid in taking up the slack in employment which might arise in other directions, and then ended on the responsibility for stabilization and

prosperity which rested on the whole people, as well as the responsibility and opportunity which rested upon business and economic organization.

"In these last few months American business is weathering a storm of peculiar origin and unusual stress. Business leadership is attempting the restoration of stability by a new philosophy, probably possible in no other country or in any other era. The underlying philosophy is that America has reached such a stage in its development that recovery of stabilization could be attained by individual action guided by mutual counsel. In such a theory, accurate information must be made the common possession and translated into action through applied individual judgment. Exaggeration and rumors must be stripped of their power for injury through the possible distortion of their individual judgment. To preserve the every day processes of trade, the orderly habits of our people must be maintained by lifting, as far as possible, unemployment or the fear of unemployment from their shoulders. In such an effort there must be the most intelligent and sympathetic cooperation between government and industry.



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AMERICAN ADVANTAGES

"It is well, at this point, to remind ourselves of certain advantages which we possess, of certain achievements which we have definitely made, and of certain forces which must inevitably reflect themselves into National progress, regardless of the temporary upsets. America possesses great natural resources. It is transforming those resources into articles of human service through American methods of machine and power equipment and a genius for organized industry at the astounding rate which is evidenced in the statement that one fifteenth of the world's population performs here one-half of the annual labor of the world. This shows the industry and energy of our people.

"That these resources and these habits of industry translate themselves into actual

"The Aftermath of the Market Crash."

In opening the meeting, the President of the United States pointed out the reassuring phases of business now present as compared with condi-

achievement may be stated in the brief indicators of fifty-five million savings accounts; sixty-five million life insurance policies; twenty million stockholders in corporate ownership; twenty-five million automobiles; and twenty million telephones.

"That we have not only a highly effective business organization, but the fairest social distribution of the wealth and income created by industry, is shown in the comparisons of our annual earnings, which twenty years ago were

49 per cent to owners and 51 per cent to workers, instead of today's vastly increased total values of 43 per cent to owners and 57 per cent to workers. This means that wealth and buying power are manifestly not confined in the hands of a wealthy few. It means, as well, the great emphasis that must properly be laid on maintaining an active prosperity so that the great army of forty-seven million workers enjoy the daily earnings which support



all productive industry. That it has made for social security, we can remind ourselves of our twenty million homes, equipped with the fifty million electrical devices which have lifted household drudgery from those homes. And remind ourselves of the significant fact that in owned homes, America has double the number per capita of our nearest competitor.

"That this security of living reflects into something finer than merely materialistic accomplishment is evidenced by the great army of students in our advanced institutions of learning, larger than all the rest of the world combined. And that on our industrial fabric rests a wider selection is shown by the fact that of our young men of fourteen to eighteen years, 55 per cent are now enrolled in high schools, and competent authorities predict 75 per cent enrolled for educational training within the next few years."—Julius H. Barnes.

"Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests and see whether we also in our day and generation may not perform something worthy to be remembered."—Inscription on the U. S. Chamber of Commerce building.



UNEMPLOYMENT

"Unemployment is one of the important things as to which we have not adequate figures. The census this year will for the first time give us a fundamental set of figures on which to base future trends, and give us from now on a basis for statements as to the number of unemployed in the country in different industries.

"We know that general prosperity is founded on purchasing power. Purchasing power is founded on stable employment; and we recognize today that such employment should be at wages they are not merely living but marginal; that is, there must be a saving ability or a purchasing ability beyond mere bread-and-butter requirement.

Therefore the urge for stabilized employment at adequate wages.

"Despite the steady rise in standards of living, comfort, the fear cloud of unemployment overshadows every home lacking material reserves of savings or income. It is the poten-

(Continued on page 51)

*Apologies are hereby offered to Mr. Louis S. Grigsby, manager of the Philadelphia Credit Bureau, for our use of the word Creditorial without permission. Mr. Grigsby has not asked for an apology but he has advised us that he was the creator and is the copyright owner of this word.

MESSENGER TO THE KING

Being a Combination of Two Minds on the Value of Advertising—Ernest Elmo Calkins, in *Review of Reviews*; and Wm. L. Chenery in *Colliers*.

"Statisticians are able to draw clear and startling lines revealing that those companies who have consistently carried their story to consumers have become the leaders of American industry. Those who didn't advertise didn't live and those who stopped advertising stopped producing," Mr. Calkins writes in *Review of Reviews*.

"In peace and in war, for all kinds of purposes, advertising carries the message to the king—the people. The masses are master. Not a few, but millions and hundreds of millions of people must be persuaded. Modern advertising deals in ideas as much as in commodities. Its subtle stimulation of our wants and aspirations makes us respond to multifarious appeals," Mr. Chenery writes in an editorial in *Collier's*:

"Business is exchange of commodities for money, and then spending that money for other commodities. Our country prospers through the daily round of small expenditures by millions of families.

Let the housewife begin to pare her daily budget, substitute a boiling piece for the weekly roast, make over little Mary's frock instead of buying a new one, and business falls off.

Cut advertising sharply off and we would have a slump beside which the stock exchange debacle would be a mere incident.

Our prosperity depends on the state of mind of the ultimate consumer, and the ultimate consumer is at the other end of an advertisement. John Jones' expenditures, and especially his wife's, are affected by various impressions floating vaguely in their minds, as evidenced in last year's state of mind, which led to such enthusiastic buying and gave the average American home such an extraordinary standard of comfort.

The clothes we wear, the houses we live in, the furniture we use, our very conception of a home is the product of advertising. Contrast our familiar life of today with that of any other time and people and you get a vivid impression of what advertising has done for us.

In a purely psychological situation advertising means business health.

Few business men rate advertising highly enough.

Last year we spent about \$2,000,000,000 on various kinds of advertising. This seems like a huge sum. Some critics call it an economic waste. They said it adds to the price which the consumer pays. However, when we consider that this \$2,000,000,000 advertising was a prime force in moving about \$40,000,000,000 worth of goods to the consumers, the proportion does not seem large.

Moreover, had it not been for advertising, our consumption would never have reached anything like a total of \$40,000,000,000. This \$2,000,000,000 also includes a large volume of financial advertising, which was essential to the flotation of \$8,000,000,000 of new securities—the proceeds of which have mostly gone into the building up of industrial and public utility plant and equipment.

Estimates place the cost of advertising at about 3 per cent of the cost of goods which people consume. As a matter of fact advertising has reduced prices rather than increased them. It has done this by making possible mass production and mass distribution. You cannot have one without the other. Machinery brought us mass production, but only through advertising have we achieved mass distribution—and all of this draws heavily upon consumer credit to achieve the ultimate.

This year advertising is more needed, not because people have less to spend but because they hesitate to spend it. It is far more logical to advertise when sales are hard than when they are easy. Yet many curtail advertising at the first sign of a business cloud. We are not yet quite at the point of increasing advertising in proportion to the difficulties to be overcome.

Many businesses are underadvertised. There is no half-way house. The

We have learned that the money we spend comes back to us; that none of us, whatever our gainful occupation, can prosper alone; that if we can induce others to trade with us we must trade with them; that we are all members of the greatest cooperative institution in the world.

advertising must be equal to the opportunity. Too little is no better than none at all. If the persimmons hang ten feet high a nine-foot pole is no better than

ROLLS RAZOR

The ONE BLADE Safety

A BRITISH IMPORTATION



The Simplest of Razors

Just one safety blade and handle in compact metal plated case containing strop and hon.



The One Blade

Of finest Sheffield steel and hollow ground, is strapped in its case when necessary. Properly handled, it will give a life time of perfect shaves.

Back from Vacation

Looming ahead is college or a strenuous business season. Start the morning right with a clean, smooth, non-irritating Rolls Razor shave, and have no worry about packages of blades, for the one hollow-ground Rolls Razor blade will give you a better shave for years.

The first cost may be slightly higher—but how many blades do you purchase every year?



Shaves Flat to the Face

Not at right angles. It cuts the hairs like a barber's razor—does not剃them out.

Imperial No. 1 Silver Plate \$15.00

Imperial No. 2 Nickel Plate \$10.00

We recommend Imperial Rolls Shaving Soap in Hygienic indestructible bowl for a superior shave. Priced at \$1.50

Or Rolls Shaving Cream Priced at 75¢.

For Sale at the Better Shops Throughout the World

Descriptive Folder sent free on request



LEE & SCHIFFER, Inc.

Dept. T—11 East 44th Street, New York City

U. S. Distributors

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Advertising, essentially, is the awakening of human desire. There is no stronger force in this new world of ours.

a two-foot pole to get them. Well directed advertising can do more than any other factor to hasten economic recovery in the United States.

Not all the proposed expenditures by governments, public utilities, and railroads will accomplish so much in keeping our vast manufacturing and selling machine running at normal speed as vigorous efforts right now to sell goods, in which effort advertising must have a large part. Nothing will show faith in the promise of the future so surely as a determined effort to sell. A full quota of advertising is a compliment to a nation of buyers.

We are in a position to learn whether we can control prosperity. When your car loses momentum on a hill you give it more gas. Business has lost some of its momentum. The remedy is more gas—more advertising.

The time has come to use advertising as it was intended to be used, to stimulate business. Never has there been a time for a cleaner test. There are no adverse factors except the mental hazard of last year's stock slump in men's minds. The obstacle is psychological, not physical."

A whole industrial civilization has been created by advertising, with an amazing catalogue of necessities, comforts, and luxuries that people have been taught to buy and make part of their scheme of living.

THE SAN DIEGO DAILY IN ITS MAY 4, SUNDAY EDITION, CARRIED THE FOLLOWING EDITORIAL:

It is worthy of comment to note that a great metropolitan daily, The San Diego Union, has seen fit through its editorial columns to recognize the efficiency as well as necessity of the information in the files of the bureaus throughout the country which comprise the National Retail Credit Association, and that such information really promotes and protects business.

citizens who resent every invasion of their private affairs by the government, have lifted their voices against this intrusion on behalf of private business.

The files in question are of course those of the National Retail Credit Association, used for insuring private business against the inordinate risk of granting unquestioned credit to a nation that buys everything from overcoats to office buildings on the installment plan. No reasonably honest citizen objects to it.

Its existence is of interest, however, in a country where secret files, police registration and all the checks and records of European political information systems are so bitterly in disrepute. It is picturesque proof of the docility with which we submit, for the sake of business, to a spy system which we would indignantly resent if it were set up on behalf of government.

Business required such an information system, dealing with a very intimate and jealously guarded type of data. It proceeded to acquire such a system. The government, needing it very much more, does not have it and can never hope to acquire it. We trust business—and if we did not, we should have to pretend to. We do not trust government, and both our institutions and our political traditions tend to sustain our distrust."

This editorial marks the second newspaper recognition during the past week* of the activities of the National Retail Credit Association, the first instance being that of a prominent black type heading on the front page of the issue of May 1st relating to the address delivered the previous day by Mr. Guy H. Hulse, our National Secretary. It is something for a credit organization to get on the front page of a metropolitan daily, but it is infinitely of greater

*The amount of beneficial publicity given to the activities of the National Retail Credit Association this year is now close to 90 million of circulation.

COLLECTIONS ANYWHERE



Office of Stephen H. Talkes, Secretary Treasurer and General Manager.

We go after the debtor, and follow him up by personal demand.

"We collect or tell you why."

Remittances go forward by the 10th of the month following receipt of payment.

Outside collectors and legal department.

ALL EMPLOYEES BONDED

Members of
Commercial Law League
American Collection Service
National Retail Credit Association



Collect your past due accounts by listing them with our membership of over 500.



Collection Department.

Associated Retail Credit Men of Washington, D. C.

Printcraft Building

930 H. St. N. W. Washington, D. C.

THE CREDIT WORLD

ARE YOUR ACCOUNTS
SIDETRACKED OR FORGOTTEN?

Do not have your collection percentages reduced because the account was sidetracked or forgotten in some agency's office. Place accounts where you are assured of prompt and individual attention to each account. Where the small account is given the same careful consideration as the large one.

OUR COLLECTION AND REPORT-
ING SERVICE

Used and endorsed by over 1,500 business houses. Claims requiring suit handled by attorneys specializing in retail collections—and also followed up by the Bureau. Commercial claims handled at C. L. L. rates. Claims requiring suit are handled by attorneys specializing in Retail Collections . . . and also followed up by the bureau.

MONTHLY ACCOUNTING ON
ALL CLAIMS

The Bureau makes a monthly accounting on all claims. Backed by over 1,500 business institutions—and merchant owned—you are assured of the absolute protection of your claims.

THE ERA OF SPECIALIST

Entrust your collection matters only to such concerns as have specialized in retail collections. For 10 successful years the Merchants Credit Bureau of Detroit has been specializing in retail collections.—The largest collection department in Detroit devoted exclusively to Retail accounts. The benefits accruing in placing your accounts with an organization owned by the merchants for their protection are self evident. Your collections in Detroit will receive the best attention possible if sent to

The Merchants Credit Bureau Inc.
Detroit

206 E. GRAND RIVER AVE.

F. E. PARKER Vice President and General Manager	Collection Division
E. G. BRAUN, Attorney Manager	W. J. BEEHR, Asst. Mgr. Legal work

significance to secure editorial comment. Editorials usually relate to vital topics, and credit is becoming more and more a topic of common interest to business as well as the public.



A credit man must possess a lively interest in sales promotion. Any credit man uninterested in the creation of new business reduces his value to the house at least 50%.

"Controllers in general have far too often failed to appreciate the possibilities of accomplishment by the credit department," A. W. Miles, of Best & Co., New York, in addressing the Controllers' Congress in Chicago May 14 pointed out the following four fundamental divisions of a credit manager's work: Proper customer contact, interest in sales promotion, departmental organization and profiting by individual experience.

"Generally speaking," Mr. Miles thinks "the credit manager may put down as a principle of department store objective the proposition that more than 99% of the customers are honest and have every intention of paying the bills that they incur for the necessities or the luxuries of life within the limitations of a capacity to pay which the credit manager must establish as best he can.

"The means taken by the credit manager to determine that limit of credit extension had better be left to his personal understanding of his job; but whatever is done must be so cleverly done that he will not hurt, humiliate or antagonize the prospective customers, or make them feel that they are being granted a special favor.

Must Help Get New Trade.

"The second attribute which a credit man must possess is a lively interest in sales promotion. Any credit man uninterested in the creation of new business reduces his value to the house at least 50%, for it is undeniable that a fertile field for new business lies at the feet of the credit department of every retail store.

"Now let us pass to the all important subject of departmental organization as it applies to the credit department. Here, systems and procedure should have as a prime objective the extension and control of credit with the least possible red tape and annoyance to the customer.

Intelligent Analysis Needed.

"Now we come to the last point, the benefits to be derived by the credit manager from the very experience which he gains through the daily accomplishment of his task." In this respect, the credit department is no different from any other department of the store. Analysis, intelligent analysis, is the credit manager's most efficient helper.

"In the operation of a collection system, the credit manager must analyze results periodically and make adequate changes and alterations as and when the necessity presents itself. He should know the age of his accounts receivable by months and be in a position to compare progress made in the various subdivisions.

"The credit manager should have a definite policy in the extension of credit. By analysis of the accounts in the collection department he can readily determine whether changes in credit policy are advisable and make recommendations to the management accordingly."



The credit survey being conducted by the U. S. Department of Commerce is one of our most important interests and as a stimulus to the efforts being made in other cities we take pleasure in publishing a letter addressed to Mr. Hewitt.

UNITED STATES

DEPARTMENT OF COMMERCE

Bureau of Foreign and Domestic Commerce

Chicago Office, 38 South Dearborn Street, Room 577

May 12, 1930.

Mr. James R. Hewitt, The Hub, Baltimore, Md.

Dear Mr. Hewitt:

As we are submitting to Washington the list of merchants in Chicago who will participate in our survey of current credit conditions I wish to take this opportunity of expressing our appreciation of the assistance given us by Mr. Frederick L. Davies of the Credit Reference Bureau.

Through his efforts it has been possible for us to obtain the cooperation of many of the important retailers in Chicago and through his suggestions and advice we have built up a list which we consider will give a splendid cross-section of the retail credit conditions in this city.

From our contact with the local merchants it is very apparent that Mr. Davies is considered by them as having an extensive knowledge of credits and

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credit conditions here and they have considerable confidence in his recommendations and judgment.

We hope that the figures resulting from this study will be of considerable assistance not only to your own association but also to the business men of the country.

Very truly yours,

Malcolm B. Allen, Commercial Agent.

Credit Bureaus enlist your Banks! Mr. N. H. Grenshaw, president Mississippi Bankers Asso., reported on the Mississippi Banker pays tribute to the Credit Bureau as an aid to Banking—"Co-operation is not just ethical it is common sense."

It has not been many years since the jobber and wholesaler treated their customers as their own secret possessions, guarding them as they did their trademarks and formulas. In the old days a jobber would not think of telling his competitors who his customers were and his experience with them. If one of his customers proved to be a bad risk he would permit him to remove to his competitor, thus causing his competitor a loss.

The prime factor in bringing about a change was the advent of the duplicate buyer. Retail merchants began buying from several jobbers and because of lack of cooperation among the jobbers often found a failed merchant owing a number of jobbers as much as he should have been in debt to any one of them. This evil led to the establishment of the Credit Bureau for the exchange of credit information. Soon followed the Retail Credit Bureau.

On March the 18th the Southern Credit Conference was held in Chattanooga, and I understand from the delegates who attended this Convention, that the program rendered was very instructive. In this connection I wish to state that my bank, The First National Bank of Jackson, Mississippi, of which I have the privilege to be Executive Vice President, is a member of the Jackson Retail Credit Association. This organization is one of the greatest agencies in our city for gaining worth-while credit information, not only for the use of our retail merchants, but for the use of the banks who are members.

Census of Distribution Taken from the report of our Washington Council, Mr. K. P. Shealey.

As an answer to the question "Who will get the greater benefit from the census—the chains and department stores, or the independent merchants?" it is announced by the representative of the Bureau of Census in charge of

Retail Distribution that "Though the chains and department stores will undoubtedly profit materially from the census, the tabulations will benefit equally or more the so-called independent wholesale and retail merchants—because the Government is doing in an accurate, impartial manner for these merchants that which they were unable to do for themselves. *** The retail merchant in a small town will undoubtedly get as much benefit from the census of distribution as the retailer in larger localities. As a matter of fact, even a merchant in a city under 1,000 population, where figures for his town are not published, will, by proper use of the figures, be able to get as much benefit as if the figures were available for his

In the May issue of the Credit World a cut was inserted at the head of our Washington Bulletin which purported to be the U. S. Capitol at Washington. In reality it was the old Court House in St. Louis. An apology is hereby offered to our readers and especially Mr. Shealey.

town. For it is by comparing his operations with the average for stores of his kind and size that the merchant will be able to see where he is weak and to govern himself accordingly."

Is the chain store system destroying the community life of America? Is it a challenge to the service of credit or are they the logical aftermath of mass production and do they help the consumer by eliminating waste?

Debaters who argued that the chain store is an economic detriment rather than a benefit were awarded the decision at the forum of the local Association of Credit Men at Hotel LaSalle, Chicago, May 14.

The debaters were students of the association's public speaking classes.

A Magnificent Rendezvous for the National Retail Credit Association Convention



The above illustration is reproduced from a drawing by Wallace Bassford, who is well known for his drawings of Canadian scenes.

THE Royal York Hotel, Toronto, welcomes you to a distinguished order of hospitality and gracious living. Always a city with a distinctive atmosphere and flavor of its own, Toronto has assumed for the convention a position on this side of the Atlantic similar to that of Geneva, Switzerland or Edinburgh.

The name Toronto is an Indian word meaning "place of meeting." That is given a new significance through international conventions of this kind.

The National Retail Credit Asso. are for the first time convening outside of the United States.

Eighteenth Annual Convention of the National Retail Credit Association

THESE MERCHAN



In the Good Old Days

FOR THE sake of the picture, and what is to follow, turn back the calendar to about the year 1850. Imagine for a moment that you are a "special representative" for H. W. Carter, one of America's first exponents of chain business and perhaps the first great advertising genius. You are driving a wagon resembling a circus chariot hauled by four fast horses. Over your shoulder is strapped a loaded shotgun for transactions with road agents, thugs and footpads. Inside the wagon, carefully arranged on shelves and hooks, in drawers and special niches—all as neat as a ship's chart room—is merchandise to set hearts yearning and purse strings loosening. A trader whose coming is eagerly awaited in the sparsely settled countrysides and widely scattered towns.

You look on yourself as the ultimate note in merchandising—the highly organized and grown-up offspring of the trudging peddler who heretofore had supplied the wants of the thinly populated nation. You are actually a wholesaler on wheels, selling to retail stores at country crossroads and in small towns and hamlets. You owe your existence to the spread of the retail store idea from the large cities and centers of population to the small communities, which hitherto have been the exclusive stamping ground of the retail peddler. This system of wholesale peddling, typified by Mr. Carter's many-wagoned organization, illustrates one of the earliest and most radical changes in the distribution of merchandise.



While the battles between the old time peddlers and the early retail stores—and the development of the wholesale peddler—strictly speaking have no place in the boiling kettle that represents the last fifty years of American merchandising, still, they throw an interesting light on the flux and change that have taken place. The striving for new methods. The discarding of old ones. The struggle for business existence in the face of new

The manufacturer through a large and substantial volume of national advertising has captured the consumer completely and with mass production, increasing competition, new uses, new refinements, and new products the pressure on our retail system grows constantly greater.

conditions—that marks all mercantile history and which has become so intensified in our day that practically the only thing we can be sure of now is "something different."

Enter the Cigar Store Again

The period which actually opens our merchandising story begins in the 1870's and runs on into the early 1900's. It is the era of our ancient friend Sitting Bull, the wooden Indian, who stood guard in front of the old-fashioned tobacconist's shop. Sitting Bull was a symbol—one of the first means of identification in the early days of merchandising.

In the sprightly young seventies, eighties and nineties Sitting Bull

METHODS of selling and merchandising in America have been completely reversed in the last fifty years. During this period we have literally gone through a mercantile revolution—and the end is not yet in sight.

The reason is logical, because the one permanent force that the business man has been able to cultivate and tie to is public opinion. And advertising provides the principal means of contact with public opinion throughout the length and breadth of America.



Inside was special merchandising to set hearts yearning and purse strings loosening—a new dress for Betty—a toy for Johnnie—some snake oil for Grandpa's rheumatism—and especially news from the outside world.

Showed you where you could buy cigars and tobacco. Not those of any particular manufacturer, because Sitting Bull was working for the seller of goods and not the maker—a significant commentary on the business methods of those days.

His master's stock in trade was as nondescript as that of the grocer next door—who was in the habit of dipping pickles out of an open pail, chasing the cat from the cracker barrel, and always forgetting to put that curious wire cage contraption back over the cheese.

Buying An Adventure

It was the day of merchandise in bulk—of goods without names—manufacturers without trademarks—and

DISING CHANGES



Those were days when the consumer was unprotected and there was no fixed price.

Reprinted in condensed form from a booklet by this name through the courtesy and cooperation of the Crowell Publishing Co.



It was the day of merchandise in bulk—of goods without names—manufacturers without trademarks—and consumers without safeguards. Buying was an adventure that seldom turned out the way you expected.

consumers without safeguards. Buying was an adventure that seldom turned out the way you expected.

One of the most interesting parts of the adventure was that you never knew how much you were going to pay for an article. The price of merchandise was seldom marked in a way that was intelligible to the buyer. You went into a store to buy a suit of clothes. There was no doubt a price ticket but the price itself was marked in a series of hieroglyphics known only to the clerk or store manager. This marking represented the lowest price at which the suit could be sold; the clerk's value to the establishment lay in his ability to size you up and figure out how much more you could be persuaded to pay. There is, too, the classic joke about the butcher's thumb on the scales along with the sausages.

A New Force in the Making

The period beginning in the seventies and stretching through the eighties and nineties, was the golden season of the sellers' market. The heyday of the classic system of distribution, from manufacturer to wholesaler to retailer to consumer.

The song of the day was, "Sell it to 'em and make 'em like it." With the secondary refrain, "We can sell anything we can make."

The voice of the consumer was small in the wilderness. The manufacturer's whole mind and effort were bent on "turning out the goods." The retailer's shelves were being loaded with stocks for one, two and three years ahead. And the wholesaler reigned supreme.

Prior to 1900 even perfume was sold by the druggist in bulk from large bottles and practically all candy sales

were also in bulk. To be sure, as early as 1878, there were a few things sold in packages. A housewife felt disgraced when she used canned goods. They were emergency rations—sure sign that her larder was empty.



Private Brands

The tempo of American life through the seventies, eighties and nineties was still comparatively slow. In business it was still the age of production, with the emphasis placed on turning out goods and perfecting the machinery for turning out more and still more of them.

But packaged merchandise was beginning to creep into the picture—and with it that strange device of merchandising, and bane of every manufacturer, the private brand.

Private brands! The products of one manufacturer put out by perhaps fifty different jobbers or wholesalers,

The period beginning in the seventies and stretching through the eighties and nineties, was the golden season of the sellers' market. The heyday of the classic system of distribution, from manufacturer to wholesaler to retailer to consumer.

each under his own name and mark. Or the products of fifty different manufacturers labeled and sold by the wholesaler of the day as one and the same article. A situation in which we find the manufacturer definitely on the defensive—and the consumer in a position where he simply had to accept what was given to him without any particular assurance of the quality of merchandise

—or that it would remain standard from the day of one purchase to the day of the next.

While these prices were whirling and changing in the kaleidoscope of early day merchandising, other factors, equally important and uncertain in their ultimate effect on the business structure of the nation, were building up and giving the producer new problems to meet.

As John T. Flynn, writing recently in *Collier's* states: "All our economic history is a record of new systems eating up old ones. When John Wanamaker in Philadelphia opened his 'Grand Depot' (1876), the first real department store, a Philadelphia newspaper denounced it as a 'greedy, grasping, godless spirit at work. . . . He squelched hundreds of small dealers without compunction,' said the alarmed editor."

Forerunners of the New Day

The advent of the department store was cause for alarm among the small store owners (as THEY had been to the early peddlers)—it also has had a vast and far reaching influence on the producer of goods right down to the present day. Because up to very recent times, goods bought in department stores have carried with them the identity and prestige of the SELLER rather than of the MAKER.

It is significant to note that there was a continuous growth in department stores from their beginning in 1876 to 1900—but that since 1900 their growth has been proportionately much less.

The chief merchandising contribution that the department store system has made is convenience and cheapness of purchase. The essence of the department store was, and is, its LOCALISM, and its most characteristic gesture, the "bargain sale," supported by local news references and local advertising.

Not until the 1890's are we to see the manufacturer beginning to make a first faint bid for the acquaintance and support of the consumer on a national scale—for the control of his business—through the driving power of advertising.

The Quantity Buying Idea

Another strange plant next takes root and branches out in the business garden.

Who was responsible for the chain store idea? Where and when did it originate? It has been said that John Wanamaker, long before he opened his "Grand Depot," really uncovered the chain idea, although he was all unconscious of the fact and never fully developed it. This statement is based on the premise that Wanamaker, many years before his department store,

son's Bay Company, flourishing in America as early as 1750, with hundreds of trading posts and banks; or H. W. Carter and his chain of peddlers' wagons; or the Mitsui Chain system in Japan (and later of the world at large) which grew its roots in 1643.

The first contribution made by the chain store to the growing complexities of business was the idea of quan-

Not until the 1890's are we to see the manufacturer beginning to make a first faint bid for the acquaintance and support of the consumer on a national scale—for the control of his market and therefore of his business—through the driving power of advertising.

opened a small dry goods establishment in Philadelphia which was so successful that he started a second in the same city and a third in Pittsburgh.

Again there is George Gilman, the leather merchant, who bought the historic shipload of tea in 1859, secured a tiny shop in Vesey Street, New York, painted the shop front red, hired George Hartford as manager, and proceeded to dispose of the tea at a dollar a pound. Hartford, the manager, dreamed dreams and hitched the dynamo of action to them with the result that other red front stores sprang up and The Great Atlantic & Pacific Tea Company was born.

By 1905, 1906, 1907 we find a band of pioneer manufacturers who began to feel the need for a national market, a national acceptance and a national goodwill for their products.

Goodwill is the brightest diadem in our business crown. Industry today has its three graces—tangible assets, profits and goodwill, and the greatest of these is goodwill. And the greatest factor in building goodwill is constructive truthful advertising.—Colby M. Chester, Jr., president, General Foods Corp.

But if you are really interested in delving back into the beginnings of this merchandising device called the chain, which has had such a revolutionary effect on business—don't forget Hud-



Sitting Bull was a trade-mark that worked for the seller and not the maker.

tity buying. As we have seen, this was the first operation of the first A. & P. store (although the name A. & P. was yet to be invented).

Some years later, in 1879, a ten dollar a week clerk in Watertown, New York, made a discovery that in time was to unsettle old line business methods still further. This clerk asked permission to assemble a group of miscellaneous articles, which hitherto had failed to move, on a special counter and sell them for a nickel each. They moved fast. And you have guessed the name of the clerk—Frank W. Woolworth. Later Woolworth married the nickel to the dime.

In their early period of development the chains became literally the "poor man's store." As we have seen, their first contribution to merchandising practice was the quantity buying idea. This naturally made possible lower selling prices. Further, overhead was cut to the bone, delivery was eliminated, no credit was extended and little packaging was attempted.

Another New Problem

Such fundamental ideas tended to develop merchandise which could profitably undersell higher quality articles. To this the premium, that delinquent daughter of selling, was very generally added as a further inducement.

Moreover, until very recent years, when the modifying factors of high speed merchandising and advertising began to exert their real influence—the chains gave a sharp impetus to the private brand idea. They controlled—and still do—many factories for the manufacture of their own private

chains of retail outlets, in order to control to some extent the market for their goods. We now have not only food, drug and cigar chains, but department store chains, clothing and shoe chains, sporting goods chains, chain beauty shops, music and radio chains, chains of gasoline filling stations, auto supply stores and others too many to mention.

We live in a constant breeze of speculation, discussion, argument, rumor. Are the chains going to

have begun to feel the need for a national market, a national acceptance and a national goodwill for their products. They recognized the necessity for increased outlets, increased economies of distribution and decreased selling costs. They began to forge and temper the tool of national advertising

As John T. Flynn, writing recently in Collier's, states: "All our economic history is a record of new systems eating up old ones. When John Wanamaker in Philadelphia opened his 'Grand Depot' (1876), the first real department store, a Philadelphia newspaper denounced it as a 'greedy, grasping, godless spirit at work. . . He squelched hundreds of small dealers without compunction,' said the alarmed editor."

for the future development and stimulation of American business. A tool that would prove its strength and usefulness in the myriad merchandising changes of later years.

For example, mail-order selling, which made its appearance in 1872 when A. Montgomery Ward and George R. Thorn established the first mail-order house, has become a tremendously important factor in our business structure today.

The changes that have occurred in this department of business, and that are still occurring, illustrate the amazing evolution of methods in the last fifty years. Montgomery Ward's first catalogue was a single sheet 8 by 12 inches with no illustrations. Today they distribute ten million at a cost of a dollar each.



The advent of the department store was cause for alarm amongst the small store owners—as the chain store is today.

brands of various types of goods. And this control naturally means domination, not only of the MARKET of the factories in question—but also of the TYPE, QUALITY and PRICE of the goods produced.

In fact, until a very short time ago, it was a serious question with many manufacturers whether or not the chains would complete the work begun by other early day merchandising devices and end by utterly submerging the identity of the maker of goods.

Answering the Chains

Independent retailers today endeavor to meet chain competition by establishing cooperative buying organizations of their own, in order to secure quantity buying advantages. Years ago manufacturers began organizing their own

usurp the functions of the manufacturer? And are they going to kill the Independent?

What will happen to our economic structure with chain organizations now selling over six billion dollars' worth of goods annually to the American people?

Mail-Order Selling

As we pass the milepost of 1900, the needle of the merchandising speedometer continues to creep up and up. Slowly for the first eight or ten years, because the road is full of ruts, and business is developing a new technique as it drives ahead—trying to figure out which curve to take on the right, which on the left, and wondering what lies around the next corner.

By 1905, 1906 and 1907, we find a band of pioneer manufacturers who

owned and operated chain of stores with the gigantic volume of the original mail-order business.

And while, obviously, these companies have concentrated largely on their own private brands of products, still it is interesting to note that a recent check-up showed some forty-five nationally advertised products carried by Montgomery Ward and some forty by Sears Roebuck, in addition to "practically all nationally advertised cosmetics, toothpastes, mouthwashes, etc."

Installment Selling

And now before dropping the curtain on the early 1900's let us hark back for a moment to one of the hoary old topics of those days. How many of us remember the thousand and one

(Continued on page 52)

The Queen ha

AT A Mothers' Union Housing Conference in London, March 11, 1925, Dame Beatrix Lyall, as reported in the convention and exposition magazine, quoted the following astounding information from a gossip sheet of the time of good Queen Elizabeth: "The Queen hath built herself a bath, where she doth bathe herself once a month, whether she require it or no." Amazing at the first gasp to us who live in the twentieth century, remarks Mary A. Clarke in a leading article contributed to *The Trained Nurse and Hospital Review* (New York); but on second thought not so very surprising when we consider that the first bathtub in the United States was built in Cincinnati in 1842, said *The Literary Digest* in its review of Science and Invention. It was made of mahogany, lined with sheet lead, and was exhibited at a Christmas party. The next day the local papers denounced it as "a luxurious and undemocratic vanity."

Today it is a common and very democratic necessity—a commodity that the plumbing industry is now offering to the country at large on the installment basis.

But before going on to the details of this new service it is interesting to review still further the bigotry of our forefathers and to marvel at the idiocy of their views.

"In 1843, Philadelphia, for example, undertook by public ordinance to prohibit all bathing between November 1 and March 15. Two years later

Boston made bathing unlawful except when prescribed by a physician, and in Virginia, about this time bathtubs were taxed thirty dollars a year.

The family

Clarke were, about 1854, the proud possessors of a bathtub, there being no other in the immediate circle of their acquaintance. It was a huge affair, higher at one end than the other, in shape resembling the galleons in which Columbus sailed to discover America.

A large room was set apart for its use, and the tub, of wood, painted white, with zinc lining, was installed near the window. A pipe from the bung-hole passed through the wall to a drain pipe, and thus the water found its way out. The filling was just as primitive. A stout rubber hose, secured at the window-sill, was lowered to the yard and attached to the hydrant; this furnished the water supply, supplemented by several pails of hot water from the kitchen. Needless to say the tub was in most frequent use only in the summer. It was the delight of the young children of the family and their friends, four of whom at a time often splashed around in wild frolic.

"Just when bathtubs became common we can not say, but by 1867 near-

Who wouldn't aspire to the beautiful new, clean bathroom as it is shown here, when such luxury is made possible on the new plumbing installment plan through the heating and plumbing finance corporation?



In the home improvement field which includes the activities of the American Radiator and Standard Sanitary Corporation subsidiaries only 5% of production was sold on installments while automobiles, radios, washing machines, vacuum cleaners, etc., all sell about 75% of their production on installments adding comfort and pleasure to life. They do not, however, add such tangible value to the home as heating and plumbing.

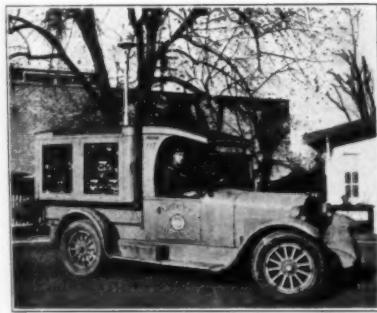
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she hath built herself a bath on Credit



ly all the houses in Philadelphia were supplied with tub and plumbing. The progress in sixty years has been most wonderful, for now even the humblest four-roomed house has its immaculate porcelain tub, while twin tubs, sunken tubs, needle and shower baths abound.

"The bath tub has helped as much as the motor car to advance American prosperity and high social standard. Cleanliness may only be next to Godliness but cleanliness must precede success and what a charitable thing it is now to let people have this important vessel of success on the time payment basis.

"In Europe modern plumbing has come into use much more slowly than in America, although the English have long been familiar with the comfort of the portable tub, made of rubber cloth, suspended on a frame, and capable of being rolled up snugly on one's travels. Yet our beloved late Ambassador to Great Britain, in one of his charming letters, said of the English, 'They don't really like bathrooms yet. They prefer great tin tubs, and they often use bowls and pitchers when a bathroom is next door.'

"In France the bathtub was much in vogue away back at the time of the French Revolution, being used a good deal for the 'continuous bath' in the treatment of fevers and other conditions. Most of us are familiar with Aviat's picture of Charlotte Corday stabbing Marat to death as he sat in his bathtub. This was in 1793.

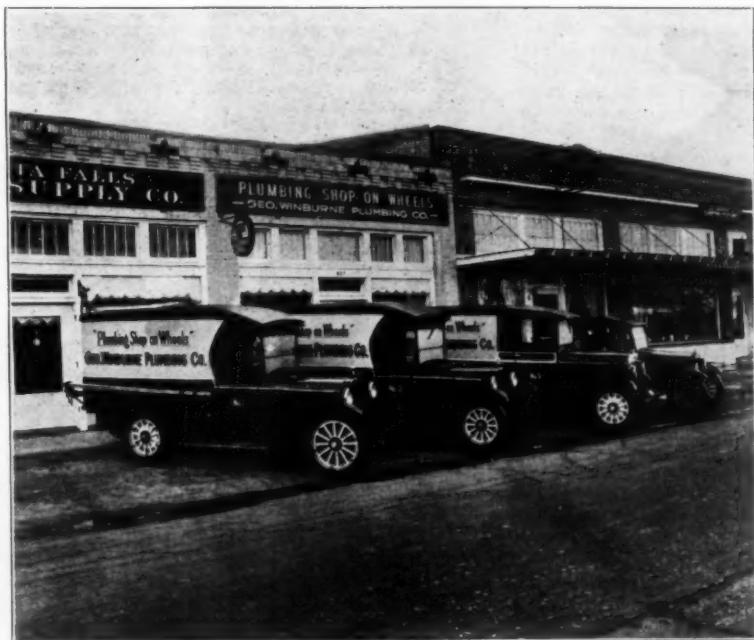
"In one of her delightful books (Note the Editor of Credit World is buying a bath tub on the installment plan.)

This article is important information to credit bureaus wishing to extend their membership. Installment selling by the plumbing and heating trade automatically invites the service of our 1065 credit bureaus in order to control this new form of installment credit as other forms before it have required control.

Madame Lillie De Hegermann-Linden-crone, born and bred in Rouen, records that while stationed in Paris in 1889, the poet Rostand told her that when he was writing 'L'Aiglon' he was almost crazy 'to be alone with his thoughts.' His head was bursting with ideas; but he could not easily deny himself to his friends. The slightest interruption sent him into 'spasms of

delire.' So he took refuge in his bathtub and wrote there all day."

The use of credit in the retail business realm of today is spreading into lines that five years ago seemed to be strictly cash basis. This change has not happened at any given interval but is quietly operating every day. Why is credit growing with such rapid strides and why should it displace the



The plumber in merchandizing his trade begins to rival the most modern retailer in fine trucks and service to the consumer.

old scheme of cash on the counter? These are questions that the executives are asking themselves as they read the trend of the changing times.

Two conditions determine the justification for credit operation in retail merchandising. First, it must lend some positive service to the consumer, or as the academician says, it must possess some degree of utility. Second it must be possible through a profitable adoption. Obviously it could not expect to succeed if the expense involved outweighed the gains from former cash basis of doing business.

It seems only too self-evident that there is considerable service value to the consumer to be able to make purchases with less inconvenience and without the necessity of handing over the dollars and cents value at the time of the transaction. The measuring stick which decides whether it is profitable to perform credit services for the customer can be taken as the efficient evaluation of risk. To this risk factor we find it necessary to include in supplementary form some study of paying habits. We all hear a great deal about the buying habits of the consumer but there is still much to learn about those that make or break the credit industry. The accounting cost of credit operations must be made to pay their own way. This involves the use of efficient credit investigation services for without these aids there are very meagre chances for such a plan to succeed. (Enter the retail Credit Bureau into a still wider field of service.)

Turning to the new groups in retailing who are now joining the ranks of the credit operators in merchandising we find that those who understand these underlying requisites are succeeding. The others are not meeting with the same degree of success they would like to achieve.

The building industry is turning to the aid of consumer credit—especially the installment plan—and especially the plumbing and heating division. The *Manufacturers Record* of June 5 discusses this in an interesting way under the heading "Stimulating Employment."

"There are movements under way, which should promote activity in building and repair work, and this, in turn, will create employment. Recent business reports have indicated that various units of the construction industry are endeavoring to make it

easier for the individual to build or to make needed improvements.

As previously noted in the *Manufacturers Record*, the Southern Pine Association is perfecting a plan for longer and easier payments on building material. The Johns-Manville Corporation is offering a plan of long term payments on new and re-roofing jobs; the Standard Sanitary Mfg. Company and the American Radiator Co.

their homes on long term, monthly payments, certainly they can meet their obligations for rehabilitation of existing dwellings, if given the opportunity to do so. When the units of the building supply industry adopt installment selling of their products to home-builders and owners, they provide employment opportunities for idle mechanics, not only in the building trades but to workers in the manufacture of products entering into construction, and these in turn become purchasers of supplies and thus stimulate sales in all classes of retail trade.

Fenton B. Turck, chairman of the National Business Survey Conference, in discussing establishment of facilities for supplying credit to simplify financing of house remodeling, says that it aims at one of the weak spots in the construction field and an outstanding cause of unstabilized conditions.

Continuing, Mr. Turck is quoted by *The Week's Work*, issued by the United States Chamber of Commerce, as follows:

"According to the United States Census, there are 16,000,000 homes in this country in need of repair and remodeling. Every year these have depreciated. The average home owner would like his home to be modern, clean and attractive. However, under financing methods now available, it is most difficult to obtain funds for such activity. The process in most cases is so cumbersome and embarrassing that very little is done to the average home from the time it is built until it is wrecked."

"This condition is not sound for the mortgage holder because the asset is constantly depreciating.

Only by keeping a building in good repair and constantly fighting obsolescence can the equity of the mortgage be maintained. By this I do not mean occasional large expenditures, but rather the necessary improvements at frequent intervals, or promptly as the need becomes apparent."

"The contractor, manufacturer, banker and small mortgage financing source, to say nothing of the labor involved, will be beneficiaries of this plan. Its basic purpose, however, is to assure the owner of the building simplicity of improvement financing."

The plumbing and heating industry reached its decision to enter the installment business through studies which have determined that the trend

(Continued on page 53)



The average American home owner would like his home to be modern, clean and attractive. According to the United States census, there are 16,000,000 homes in need of repairs and remodeling. The process of remodeling for modern plumbing has not only been cumbersome but without aid of financing so that the average home has had little done to it from the time it was built until it is wrecked. The new plumbing installment plan should do wonders in renovating the old bathroom and contributing new joy to the bath and milady's toilet.



have adopted a monthly payment sales plan for their products, and the Crane Company lately announced that it will finance repairs and improvements to the extent of accepting long-term payments on a monthly basis for plumbing and heating equipment. While this is a comparatively new undertaking for construction interests, these interests are only applying the principle of installment buying which has prevailed in the retail merchandising field for years.

Why should not the building industry utilize this modern method of installment selling with the same success as the automobile, the radio and other industries? Installment buying of houses and furniture has long been practiced and if people can furnish

ACCOMPLISHMENTS of National Retail Credit Association

Brought up to Date
Fiscal Year Ended April 30, 1930

ANNUAL REPORT

O DEVELOP and quicken a national interest and spirit in Retail Credit and all related subjects. ¶ To provide an instrument for the exchange of thought and information on retail credit and all related subjects. ¶ To promote and foster local organizations of retail credit managers in every city and trade centre in the country, affiliated with the National Association, thereby linking up the avenues of thought and action in connection with retail credit and all related subjects. ¶ To develop and foster local retail credit rating bureaus in every city and trade centre of the country for the purpose of accumulating, clearing and disseminating credit information for the convenience and protection of the public, the retail merchant and all other related interests. ¶ To bring together at frequent intervals (through its Service Department) all managers of retail credit rating

bureaus to promote acquaintance through personal contacts and for the intimate exchange of ideas and information on credit reporting and clearing of credit information, and all other related subjects. ¶ To promote and foster methods of education on retail credit and general credit methods, practices and policies for the benefit of the merchants, the credit managers and the general public. ¶ To promote and foster uniform and standardized methods of operation and control in promoting, handling and dispensing retail credit in its varied forms. ¶ To promote and foster uniform terms of payment and methods of collection of retail accounts, thereby safeguarding and protecting the in-

terests of the merchants and public alike. ¶ To keep in touch with legislation affecting retail credit interests, to encourage the passage of laws, federal and state, needed for the equal and just protection of honest debtors and creditors and of benefit to the commerce of the nation.



HIGHLIGHTS OF ACCOMPLISHMENTS

1. *The National Retail Credit Survey* is now an accomplished fact. The report is divided into three parts, of which one and two have been released. Through this survey made at the instigation of your Association, guess in the important field of our endeavor has been supplanted by the introduction of reliable consumer and collection data.

2. To perpetuate the benefits of the National Retail Credit Survey, your Legislative Committee secured favorable action of the Department of Commerce of the United States Government, in the establishing of a *permanent bureau of credits*. Supplementary reports embodying current data will be issued at regular intervals for the mutual benefit of distributors and consumers.

3. The economic importance of the work in which your Association is engaged was recognized by the United States Government through invitation extended to participate in the persons of its officers in a recent *economic conference* called by President Hoover. Its proposed contribution to the stabilization of prosperity submitted, received wide and favorable acclaim.

4. To be selected as one of four Trade Associations to receive *honorable mention* by the American Trade Association Executives for meritorious work, is a real accomplishment. Our pride in this signal honor, however, does not compare with the satisfaction which is ours through the knowledge that our work is of outstanding importance and that it has been well done.

~ ~ The



STRAIGHT ON THE COURSE



FF the coast of South America, four ships were approaching each other. The barometers showed that not two read the same, indicating that a storm was brewing within a radius of three hundred miles.

One Captain radioed the facts to our Weather Department in Washington, who charted the course of the storm, warning shipping from its path and not a dollar of commerce nor a life was lost.

The citizens of Florida, over whose coast it swept, were likewise warned forty-eight hours in advance. The waving of a palm in the grounds of the Weather Department indicated its passing there, en route to the north, where it faded out at the Canadian Border.

To be forewarned is to be forearmed

To have been placed in possession of this information was of inestimable value and protection to those who were exposed. The protection of commerce and life at sea and the success of travel by air is made possible by this kind of service. The security of modern day business is just as dependent upon the collection, correlation and dissemination of reliable information, of warning and advice through the protective services of our Credit Bureaus—back of them there is a master influence that holds the wheel of credit, steering by the compass, character, and keeping the good ship "Consumer Credit" straight on its course—The National Retail Credit Association.

Secretary's Report

**TO THE OFFICERS, DIRECTORS
AND MEMBERS OF THE NATIONAL
RETAIL CREDIT ASSOCIA-
TION:**

Your Secretary has the honor of submitting the following report covering the activities of your Association for the fiscal year ended April 30th, 1930.

*The accomplishments of
your Association, due to its
organizational set-up, are
largely dependent upon the
activities of its standing
and special committees.*

Committee reports, and the accomplishments which they mirror, are therefore embodied within this review. I will, with passing comment on these reports, devote myself to certain recommendations which I am convinced, if adopted, will advance the interests of your Association, promote harmony and understanding between its members, and redound to the mutual benefit of those who sell and those who buy on credit.

This Association represents within the membership of its affiliated Bureaus more people of real economic worth to our country than any other trade organization. It deals with one of the most important problems affecting all phases of business and the consequent stabilization of our Nation's prosperity.

Our responsibilities impose an obligation of noblesse oblige that challenges the guardianship which we have assumed, demanding always leadership of the highest quality—a leadership which will not compromise with less than the very best in initiative and vision.

The recommendations herein made are aimed at the obvious ends which are evident to those who have devoted thought to the sociological aspects of consumer credit control and its great economic importance.

LEGISLATION

**Our Legislative efforts have been
exceedingly productive dur-
ing the year just ended.**

Modern facilities of travel, the comparative ease of securing profitable employment as, where and when needed, have greatly stimulated the migratory tendencies of people, introducing new problems in consumer credit control. The sociological and psychological aspects surrounding consumer credit extension under modern merchandising conditions; its acknowledged potency in nurturing the twins of American prosperity—mass produc-

tion and mass consumption—and its consequent growth; its universality as a medium of exchange,—have, in a measure, strictured commercial metabolism. These things are reflecting themselves in certain definite business ills. Your Association's efforts to, in a measure, correct these ills, may be found in the activities of its Legislative Committee, so well set forth in the report of its Chairman, Mr. James R. Hewitt.

It is recommended, since the legislative matters now being and to be worked upon by your Legislative Committee are of importance to all credit granting business and professional men, that closer co-ordination be had between the Legislative Committees of State and Group State Associations and the National Legislative Committee.

The pooling of our efforts will have a salutary effect on the early and successful conclusion of these much needed remedial legislations as set forth in detail under proper headings in Mr. Hewitt's report.

More than passing comment should be made upon the Research work now being done at the instance and request of the Legislative Committee by the Law College of the University of Colorado. Under the personal direction of Dean Rogers, a national survey is in process of being made covering the provisions of the Statutes of Limitations in the various states. As a result of the collection of these data, a uniform act will be drawn which will be presented as soon as possible to a national conference of commissioners of uniform state laws. This work, when successfully concluded, will be of benefit to debtors and creditors alike.

EDUCATIONAL

Credit Executives and Bureau Managers need to be firmly grounded in the fundamentals of their businesses. They are coping with a gigantic economic problem—that of intelligently administering an annual volume of thirty-six billion dollars of consumer credit. Upon them rests the responsibility of a sound economic commercial structure. One of the outstanding requisites of this Association, therefore, is the continued promotion of education.

**The results of our Credit Educational study
classes are tangible and will be permanent.
Through its study a better understanding of
credit and collection practice and procedure has
been acquired.**

The report of Mr. Frank Batty, Chairman of the Educational Committee, indicates the success with which this work has been prosecuted during the first year in which

**The effort towards se-
curing a return des-
tination receipt regis-
tered mail gives
promise of early
and favorable con-
clusion.**

your Association has placed at the disposal of its members a uniform and comprehensive educational course.

The results of this course are tangible and will be permanent. Through its study a better understanding of credit and collection practice and procedure will be had. Pyramiding of accounts will be reduced. Proper turn-over in receivables will be secured. Collection percentages will be increased and charge-off to profit and loss will be held to an intelligent minimum, thereby reducing distribution overhead with resulting economies to consumers.

It is recommended that our educational facilities be continued and extended to embrace, in addition to the recommendations made in the report of Chairman Batty, a comprehensive educational course for the benefit of Credit Bureau and Collection Department Managers, covering every phase of their work.

PAY PROMPTLY ADVERTISING

For a number of years, different communities have conducted local advertising campaigns, as indicated in the report of Chairman W. S. Christian. These efforts have been actuated by good intentions and a simple faith in the power of advertising. That the amount of money used has, in many cases, been without any direct bearing on the objectives, and that the copy has been ill-conceived and lacking in selling force upon the psychological reasons for improving credit conditions, is evident to the expert mind, but in nearly every instance such advertising even with its faults has proven directly profitable.

What real and lasting benefits could be produced by a truly scientific handling of advertising with a large number, if not all, of our towns and cities driving constantly and persistently toward the one objective—A NATIONAL CREDIT POLICY—supplemented by the all embracing force of National media, especially potent in America because of its vast territory and large numbers of people thinking and speaking alike, and because, as has been referred to in another part of this report, their increasing migratory tendency, can only be realized when we have at least tried to carry out one of the many excellent plans that have been presented to this Association.

A short time ago a project was presented which gave promise of such material benefits that it was enthusiastically acclaimed by many of our leading economists and business leaders. It was an ambitious plan worked out to the finest detail, but encumbered in its acceptability by many of our organizational deficiencies.

The purpose, the result, the value, however, still exist in the basic project and I strongly recommend that a compromise, as outlined in a separate recommendation by its author, be given the consideration which it deserves, and the obligations which our published statements on this subject demand.

SERVICE DEPARTMENT National Retail Credit Association

The Credit Bureaus, 1058 in number, whose memberships make up the Service Department of your Association, find themselves confronted with outstanding opportunities for service, as so ably outlined in the report of Chairman George C. Morrison. If these opportunities are to be realized—if they are to command the consumer reporting business of the country which is rightfully theirs because of organizational advantages peculiar to themselves in the collection and compilation of information and the dissemination of reliable credit reports, based thereon—certain definite things must be done.

It is recommended that ways and means be found to provide for the employment of more field men and that at least five additional men to serve in this capacity be employed during this fiscal year.

Correspondents must be appointed and trained in their duties. It is recommended that State and Group State Associations, because of their intimate knowledge of conditions and working in co-operation with the Service Department Committee, proceed with this work as rapidly as possible, appointing correspondents in "no man's land"—communities not now served by Credit Bureaus as indicated in the Service Department Roster "see reporting Bureau" and too small to support a regularly organized Credit Bureau.

The formation of independent and allied trade credit bureaus dissipates consumer credit information through housing it in more than one office. They place an additional monetary burden upon business and professional men by compelling them to seek information through multiple sources, with consequent increase in fees.

It is recommended that the National Association through its Service Department Committee encourage and lend every assistance to Credit Bureau Managers in their efforts to form trade groups within their re-

spective organizations. Credit Bureau Service may be extended to many communities too small to support their own Credit Bureau, through the formation of county-wide organizations.

Much commendable work has been done in this direction. It is recommended that more cognizance be taken by the National Association through its Service Department of the needs of these smaller communities and that it co-operate whole-heartedly with those who are seeking or may seek to form county-wide Credit Bureaus.

The direct inquiry is a pernicious thing. It robs the Bureau of information. It leads credit grantors into serious pitfalls. It must be eliminated. It is recommended that the educational work now being done by Credit Bureau Managers in the elimination of this evil be vigorously supported by the National Association through

(Continued on page 39)

FINANCE

and

Washington Counsel



N connection with the following report of your Washington Counsel, attention is directed to the fact that a good

deal of the work of the Washington Office is included in the report of the Legislative Committee. Return Destination Receipt—Registered Mail, Bankruptcy, Garnishment and permanent Credit Bureau, are all dealt with by Mr. Hewitt.

FINANCE COMMITTEE REPORT

Your Finance Committee, consisting of L. T. Pease, Chairman, George Lawo and George C. Morrison, has received the auditor's report for the year's operation and finds that the budget, as set up by the committee, has been carefully adhered to during the past year. In its written report to the Board of Directors and members of the Association, the committee will make a number of recommendations.

Civil Service Commission Reports

This office followed this matter up from time to time and early last fall was advised that the Comptroller General's office had approved vouchers covering the purchase of reports from credit bureaus on individuals seeking positions under Civil Service at a cost of \$1 per report. Since there are thousands of persons who take the Civil Service Examinations each year it is felt that if the bureaus that are called upon to furnish these reports will exercise special care so as to submit as complete a report as possible the volume of requests that will follow will amply compensate all bureaus for furnishing them at the \$1 rate. Instructions have been sent out by the Commission to all its offices in the field notifying them that they may make use of these reports when necessary.

Standard Mechanics Lien Act

The writer has been in constant touch with officials of the Department of Commerce on this subject and, as re-

ported in the May bulletin of the Washington Office, the Committee of the Department has about agreed on a proposed uniform act and will submit its draft to the next meeting of the National Conference of Commissioners of Uniform State Laws to be held in Chicago during August.

Retail Credit Survey

Following the completion of this great work the next step was to have it printed and disseminated throughout the country. The writer has collaborated with the Department in this connection with the result that the first of the three bulletins containing the summarized results of the Survey by groups was made public in April and the second was released this month.

General Legislation

Considerable time has been spent on matters coming under this heading, such as interviewing Members of Congress of both Houses, Committee Clerks and Department officials, as well as keeping a close watch on

the thousands of bills that have been introduced since Congress convened in the special session last April.

Report of Washington Counsel

of the Department of Commerce in connection with the Retail Credit Survey and Permanent Bureau of Credit have named the Association specifically and mentioned various officers of the Association as well. Several of these releases would not have been issued had it not been for the efforts of your Washington Counsel in pointing out to the officials of the Department the advisability of publishing the various statements from time to time. Likewise your Counsel was

Publicity

The writer considers that much has been accomplished along the line of publicity since the last Convention and points out that numerous press releases

successful in securing a large representation of the Association at the general conference of business leaders called by President Hoover last December following the stock market and business depression of that period.

Bulletin Service

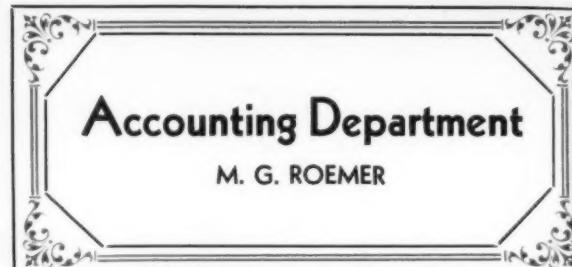
The office has continued to submit a monthly bulletin for inclusion in the CREDIT WORLD and it is hoped that the matters contained therein have been of interest to its readers.

Correspondence

Last but not least has been the vast amount of correspondence that has passed between this office, St. Louis, and the members of the Legislative Committee. At the direction of the Manager-Treasurer, the policy was adopted in December last, of sending letters to the executive officers and directors of the Association from time to time, informing them of the progress of the work here, and the reaction to these reports, as felt by the Washington Office, has been gratifying to say the least. From Chicago, Denver, Omaha, Milwaukee, St. Louis, New York, and other centers have come action and support that might not otherwise have been rendered quite so quickly had not the executive officers and directors been more or less familiar with the progress of the Washington work, and your Washington Counsel cannot commend too strongly the suggestion of the Manager-Treasurer which has brought about more effective co-operation.

In closing it is desired to express a word of thanks for the splendid co-operation received by the writer from the officers of the Association and the Legislative Committee's Chairman and members, without which nothing could have been done, and to extend a cordial invitation to the membership of the Association to call at the Washington Office, 521 Colorado Building, whenever in the locality.

R. P. SHEALEY,
Washington Counsel.



Facts and Figures

*J*T WOULD seem that all necessary figures and statistics have been fully analyzed and covered within the splendid and complete report as rendered by our official public auditors, Touche Niven and Company. But while this is true, still the auditors' report does not show completely the enormous amount of detail work handled at the National Office and for that express purpose this report is being rendered.

We shall first tear down and analyze the sales of "M" and "T" Tickets. The handling of these tickets is of course and properly so, entirely within the Accounting Department of your National Office. The average monthly sales were approximately 45,000 tickets and the number of bureaus buying tickets each month averages about 1,500. A very accurate and systematic accounting set up has been devised in your accounting department, so that we at all times, may know the exact amount of coupons outstanding and verifying this amount as against the available cash on deposit in the coupon account at our bank. An appreciable reduction in detail in connection with the handling of these coupons would be possible if a number of our affiliated bureaus would try to estimate their possible needs for a full month and purchase in those quantities just once a month, instead of making it necessary for your National Office force filling your orders anywhere from one to five times each month. This appreciated cooperation will, we assure you, relieve this office of numerous unnecessary detail.

The sale of supplies for the fiscal year just ended totaled more than \$15,000.00 and when we stop to think that the average amount of each sale was \$2.25 we can readily realize the enormous amount of detail necessary in connection with this particular item of income.

Approximately 75,000 individually dictated letters were mailed from your National Headquarters last year.

The billings for dues, both National and Service Department, approximate 1,600 each month and the individual number of remittances received at our office will average the same number per month.

Approximately 75,000 individually dictated letters were mailed from your National Headquarters during the past year in addition to the 60,000 mimeographed letters which were broadcast among you.

In addition to the above, complete data is kept at this office in regard to every individual now enrolled within the ranks of those ambitious individuals who have seen fit to take the splendid Credit Educational Course offered by this Association.

The constant changes within our ranks makes it necessary to have one employee devote her entire time to this particular type of work and we can assure you, her working hours are well filled in constantly keeping our 16,000 cards and 16,000 addressograph plates up to date at all times.

We, the employees of your Association, are proud of the splendid record made during the year just ended and take this opportunity of offering our sincere thankfulness for the splendid cooperation given us during the course of our official duties. May we have the opportunity of working and co-operating with you again this year to the goal of making the new year, just begun, as successful as the one just ended.

«» REPORT «»

of

EDUCATIONAL COMMITTEE

To Mr. Justin H. Edgerton, President,
the officers, directors, and members of the
National Retail Credit Association.

GENTLEMEN: At the Nashville Convention we were honored by your appointment to continue the important work of Credit education organized by yourself and a committee which performed excellent foundation work during the previous administration.

Although somewhat handicapped at the start, due to circumstances over which we had no control, which delayed our activities until Fall, and feeling far from satisfied with the results obtained for the Nation as a whole, most encouraging response was made in certain districts, which justify our belief that with proper organization and more extensive propaganda our successors will meet with greater success than we realized.

The objective is, a Credit Study Class in every city and town where a credit association exists, coupled with a correspondence course for individuals or groups in smaller localities where difficulty might be experienced in obtaining the requisite number of lecturers to carry on and complete the syllabus.

It is quite possible that a supplementary report will be rendered at the Toronto Convention, setting forth in detail the work and results in connection with a number of classes, which at the time of writing, are still in progress. The laurel for the largest enrollment in the country goes graciously to the *Memphis, Tenn.*, Association, with 152 students, and we extend to that city our heartiest congratulations on their achievement, which speaks volumes for efficient organization and effort. A close second comes *San Francisco, Calif.*, with 138; *Oakland, Calif.*, 119; and *Philadelphia, Pa.*, 101.

The total number of students enrolled is 1402

In these places much interest was manifested, and results which cannot be tabulated were in evidence, giving every student an excellent opportunity to develop his knowledge of credit theory and practice.

In the California Bay district, which came directly under the personal supervision of your Committee, we were able to follow the classes through to a very gratifying conclusion, largely due to the concentrated action of the lecturers themselves—15 in number—who supplied three cities in person and one by correspondence, delivering one lecture each week in San Francisco, Oakland, and San Jose, and mailing copies of the lectures to Bakersfield, where they were read to a class of 25.

Mr. Thomas H. Larkin, Credit Manager of Oakland, secured 100 per cent in the examinations, while John Busby, a young Stanford University graduate, and a refer authorizer in a San Francisco department store, was awarded 96 marks. From these four classes

named, 28 students obtained over 90 marks each, and a total ofdiplomas were awarded to those scoring 70 and over.papers scoring 90 and over have been forwarded to the National office for competition in the cash prizes offered by the management.

The total number of students enrolled in the National office is 1402. Fees amounting to \$2,736.00 have been received and 2,226 copies of Bartlett and Reed's "Retail Credit Practice" and Dr. Norris A. Briscoe's "Retail Credit Procedure" sold to students at a profit to the National of \$1.00 per volume, less cost of forwarding.

The San Jose class was particularly fortunate in having the National Secretary and Educational Director, Mr. Guy H. Hulse, who on his recent visit to California, addressed a meeting of merchants and credit grantors, and on which occasion the diplomas were awarded to the successful students.

(Continued on page 35)

FRANK BATTY.

FOLLOWING ARE

Philadelphia	101
Baltimore, Maryland	85
Kansas City	70
Oklahoma City, Oklahoma	61
Harrisburg, Pennsylvania	58
Fort Worth, Texas	52
Pueblo, Colorado	51
Knoxville, Tennessee	47
San Jose, California	46
Youngstown, Ohio	44
Glendale, California	41
Denver, Colorado	38
Lynchburg, West Virginia	38
New Orleans, Louisiana	36
Des Moines, Iowa	32
Toledo, Ohio	30
Birmingham, Alabama	27
Spokane, Washington	27
Bakersfield, California	25
Evansville, Illinois	24
Fort Wayne, Indiana	24
St. Joseph, Missouri	23
Little Rock, Arkansas	22
Nashville, Tennessee	21
Sioux City, Iowa	21
Saint Louis, Missouri	20
El Dorado, Arkansas	16
Kenosha, Wisconsin	15
Salisbury	14
Arkansas City, Arkansas	8
Omulgee	7
Ames	7
Chester, Pennsylvania	4
Bend, Oregon	4



REPORT LEGISLATIVE



R. PRESIDENT AND GENTLEMEN: In submitting a report of their activities during the year, your Legislative Committee directs attention to the excellent work of last year's Committee, under the able Chairmanship of Past President George A. Lawo of Memphis, who laid the foundation for the accomplishments of the Committee and Association for this year.

Return Destination Receipt—Registered Mail

Considerable progress has been made with this matter since the Convention. At that time your Committee faced with a possible opposition from the officials of the Post Office Department sufficient to prevent the enactment of legislation on this subject and it was necessary to confer from time to time with these officials, emphasizing the benefits that would follow its passage and answering the objections that were raised against it. With the submission of the Annual Report of the Postmaster General, which included therein numerous recommendations for desired legislation, it was felt that the Department would have authority to include the address of delivery on the return registered receipts provided Congress approved these recommendations and the Postmaster General would issue the necessary instructions. However, the opposition that had developed in the Department again came to the front and it was realized that it would be absolutely necessary to secure the passage of a bill providing for the service desired before we would be sure it would be put into actual practice. Congressman Clyde Kelly, of Pittsburgh, Pennsylvania, introduced a bill dealing with the return registered receipts and it was decided to ask for a hearing before a sub-committee of the House Post Office Committee and submit amendments thereto covering our matter. Accordingly, this was arranged for and the Committee was represented by its Chairman, Vice-Chairman and the Washington Counsel of the Association. One or two of the members of the Post Office Committee indicated that they were not in favor of our amendments but after they were apprized of the widespread demand and the benefits that would be derived therefrom, the sub-committee reported the bill and our amendments favorably. A short time thereafter the full Post Office Committee of the House considered the bill and submitted a favorable report, House Report No. 1047, to the House itself, and at this time the bill in question, H. R. 8649, is awaiting passage by that body. Of course, it will be necessary to secure favorable action in the Senate following passage by the House, and your Committee has already taken steps in that direction.

The favorable position of this legislation at this time is largely due to the able assistance rendered the Committee by Col. Franklin Blackstone, of Pittsburgh; G. C. Morrison, of Toledo; and F. E. Willis and Frederick L. Davies of Chicago. To these gentlemen is extended the hearty thanks of our Association as well as the sincere appreciation of the members of the committee.

Bankruptcy

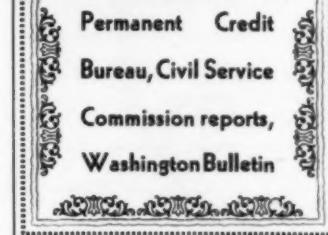
It has long been the opinion of those who have studied the actual workings of the National Bankruptcy Act that certain amendments thereto should be made to insure that the retailer would be afforded protection which is not now granted by that Act, and which protection is necessary to those engaged in retail lines of business in order to avoid considerable losses from time to time through debtors taking advantage of the looseness of the Bankruptcy Act. With this in mind, the Committee has sought to secure the passage of such legislation as would relieve the present situation. It has two particular amendments in mind; first, an amendment to abolish discharges from debts for necessities and a provision that would make it necessary for voluntary bankrupts to prove that all purchases made within four months prior to the filing of the petition in bankruptcy were not made with intent to defraud the seller; and second, an amendment providing that individuals must owe at least \$1,000 before they can take advantage of the Bankruptcy Act. Congressman Willis G. Sears, of Omaha, Nebraska, has already introduced a bill that includes the first amendment, but due to the fact that your Committee is co-operating with the Department of Commerce and several Research organizations now engaged in making a thorough study of the bankruptcy question, it has been decided to not press for passage of this bill until the results of this study are at hand. Likewise, your committee has not pushed the matter in the Senate to any great extent, although it has enlisted the aid of a Senator who has indicated that he may sponsor our bills after we have presented him with data showing the necessity therefor.

Mr. Allen T. Hupp, of Omaha, was instrumental in having the bill covering necessities introduced, in the House and Mr. S. L. Gilligan, of Minneapolis; Mr. Frank Batty, of San Francisco; and Col. Blackstone, of Pittsburgh, collected and furnished valuable data for the use of the Committee in their efforts to convince the Senator of the necessity for the proposed legislation. The Committee appreciates the co-operation of these gentlemen and extends their thanks.

The return destination receipt registered mail legislation received favorable report from the full Post Office committee and is now awaiting passage by the house.

Realizing the importance of the bankruptcy situation to the retail interests of the country, your Committee recommends the establishment of a Bankruptcy Council to consist of representatives from each of the National Retail Trade Associations; such Council to study present law and present on behalf of the United Retail interests of the country such revisions and amendments as in their judgment are necessary for the proper protection of their interests.

OF THE COMMITTEE



Garnishment

Just prior to the Nashville Convention, Congressman L. C. Dyer, of Saint Louis, Missouri, introduced a bill to require federal employees to pay their just debts or else be liable to have their salaries and wages garnisheed. Following this action, our Washington Counsel sought to ascertain the general attitude of Congressmen towards this measure and as a result of his discussions with them, came to the conclusion that it could not be enacted without some other effort being made to bring the various government departments and bureaus around to the point of requiring the employees to pay their bills. For this purpose, a conference was arranged with a representative of the office of the Chief Coordinator of the Government, following a personal interview with Admiral Rousseau, the Chief Coordinator, by our Washington Counsel, and it resulted in the assistant of the Admiral, Major Erck, who is the head of a board composed of the Chief Clerks of the various departments and bureaus, agreeing to endeavor to compile a uniform set of regulations governing the necessary procedure to be followed by the various departments and bureaus in dealing with employees who are delinquent in paying their just debts. At the present writing, Admiral Rousseau has advised that Major Erck's board has almost reached an agreement on the regulations and procedure which it is believed will eliminate much of the difficulty that merchants selling to some federal employees now incur in collecting these accounts.

It is felt such an arrangement would prove equally as effective as the enactment of a garnishment law, and at the same time would not place our National Association in the position of supporting legislation which possibly might be distasteful to thousands of government employees throughout the country.

Permanent Credit Bureau

It will be recalled that the Convention adopted a resolution suggesting that the Department of Commerce establish a bureau

to assemble and disseminate current credit information annually. After numerous conferences with officials of the Department and representatives of the Federal Reserve Board, the Department decided to carry on this work. For this purpose the Department plans to let the section that handled the recent Retail Credit Survey become a permanent Bureau of Credits and collect statistics reporting credit conditions in twenty-three key cities of the country every six months and

then to issue an analytical composition of the figures thus obtained.

The cities selected are: Atlanta, Ga., Boston, Mass., Chicago, Ill., Dallas, Tex., Denver, Colo., Detroit, Mich., Indianapolis, Ind., Kansas City, Mo., Los Angeles, Calif., Louisville, Ky., Minneapolis, Minn., New Orleans, La., New York, N. Y., Philadelphia, Pa., Pittsburgh, Pa., Portland, Ore., St. Louis, Mo., San Francisco, Calif., Seattle, Wash., Cleveland, Ohio, Baltimore, Md., Richmond, Va., and Washington, D. C. Our Bureau Managers in these cities are co-operating with the Department of Commerce agents to insure the active support of the merchants to the end that the figures when released will reflect the true conditions existing in the several lines of business.

It is felt this semi-annual check-up of credit conditions as well as sales volume will prove of considerable interest and benefit to the retail interests of the country.

In announcing the establishment of this service, this Committee desires to extend their thanks as well as that of our National Organization to Dr. Julius Klein, Asst. Secretary of Commerce; Mr. John Matthews, Acting Director, Bureau of Domestic Commerce; H. C. Dunn, Chief, Domestic Commerce Division; Dr. W. C. Plummer; and Mr. John La Crosse.

In urging the installation of the Bureau of Credits in the Department of Commerce, our Association assumed the obligation of seeing that the Questionnaires sent out by the Department are promptly answered and to the Bureau Managers in the cities selected the Committee extends their sincere thanks for their assistance in the discharge of this obligation by our National Organization.

Civil Service Commission Reports

This Committee is happy to report that the Civil Service Commission has obtained the approval of vouchers covering credit reports furnished it on certain applicants for federal positions. The charge for these reports was \$1 each and it is believed that if the Bureaus will exercise special care in submitting such reports the volume of requests that will follow will amply compensate the bureaus for furnishing them at the \$1 rate.

Washington Bulletin

Realizing the necessity for the continuation of this valuable service the Committee requested our Washington Counsel, Mr. R. P. Shealey, to forward each month to National Headquarters, a Bulletin covering Governmental activities, as well as Legislative activities, insofar as they affected credit conditions. Each month this Bulletin is published in the CREDIT WORLD and the Committee recommends that this practice be continued.

In submitting this report, the thanks of the Committee is extended our membership at large, all of whom responded promptly and effectively whenever called on to assist in promoting our legislative program.

JAMES R. HEWITT, Chairman Legislative Committee.

(Continued on page 39)

The Credit World

Recommendations by FRANK HAMILTON

"I am the voice of the National Retail Credit Association." This is the CREDIT WORLD speaking. "I am the inspiration to credit merchants, the defendant of credit advocates and the prosecution of credit critics. I am the forum of credit opinion, the platform of credit policy, the antennae and amplifier of credit news. I am the court of credit appeal, the crystal of credit vision and the blueprint of credit practice. I am the spirit level of credit harmonizing tradition with advancement. I am the open sesame to greater credit activities and broader scope."

The CREDIT WORLD speaks truly. There is no greater force, no more potent influence in controlling the destiny of consumer credit and the administration of association affairs than the CREDIT WORLD.

The CREDIT WORLD does not ask for opportunity but does ask that opportunity be released and unhampered.

A magazine of this character broadens and is broadened by its readers. It is now begging for more readers and more readers are begging for it. The May issue enlisted about a thousand potential subscribers, the majority of which were withheld because of the conflict between the subscription price and the price of membership in the association. This is the first thing to be reconciled. The worth of the CREDIT WORLD is not the worth of a membership in the association and this idea should be disabused but it is very apparent that many memberships to the association can be enlisted through the CREDIT WORLD as the modus operandi in securing the member.

In this respect its improvement in size, interest and physical appeal is important and will prove profitable.

To develop the CREDIT WORLD requires the decision first that it should be a consumer credit magazine and not an association house organ. This latter feature should be carried as a supplement for association members and probably allied with the *Service Bulletin*. Secondly it requires a very definite editorial policy and third it must be sufficiently subsidized temporarily to meet the improvements necessary to make it finally self supporting and later profit producing.

Advertising can easily be induced to pay for a magazine of high character and at the same time contribute a handsome profit to the association but advertising is not attracted by our present small and forced circulation or by readers who are not buyers.

The formula is simple—an interesting magazine attracts subscribers, increasing circulation. If the subscribers are buyers advertisers are then attracted and advertisers pay the printer.

Note: Specific recommendations with specifications, costs and expectancies are submitted in a separate report to the board.

Signed
FRANK C. HAMILTON.

PAY PROMPTLY

ADVERTISING

ANNUAL REPORT OF THE COMMITTEE

ADVERTISING PAYS

THE previous year's Pay Promptly Committee had already made arrangements with the Meyer Both Company of Chicago to include Pay Promptly copy in its mat service sold to the leading newspapers throughout the country, and commencing in July 1929, attractive artistic layouts of Pay Promptly advertisements appeared in the service. Such advertisements bore the emblem of the National, and were supervised by the Executive officers, thus making such copy official.

In January 1930, the Chicago Tribune Service, also numbering among its clients many of the leading newspapers of the country, began to include in its service Pay Promptly advertisements prepared by this Committee, thus giving the associations interested in advertising, the benefit of official Pay Promptly advertisements from two different sources.

Continuance of the co-operation of these two services however, will depend upon the demand for the copy by the newspapers.

To bring the advantages of these two services with official Pay Promptly advertisements to the attention of Associations and Bureaus throughout the country, two communications were sent to all Associations and Bureaus on October 18, 1929, together with a questionnaire pertaining to Pay Promptly advertising. Many questionnaires were returned, some indicating that campaigns were already being carried on—that the two services were being or would be used—while other questionnaires showed unusual interest in inaugurating Pay Promptly campaigns.

Inquiries from all parts of the country, as well as Canada, were received seeking information, which were duly answered, and the utmost cooperation accorded each. In some instances initial copy was supplied where a campaign was to be opened. A large number of inquiries came from the smaller bureaus and associations. Special attention should be paid to Pay Promptly campaigns in the smaller cities and as many inaugurated as possible, for the reason that Pay Promptly advertising, while for the purpose of increasing collections, stabilizing collections and selling the public on the idea of "Paying in full each month by the 10th, or promptly as agreed," does much to hold an association or bureau together, increase the membership and is the public expression of its existence in which every member would be interested.

The same proposition however applies to the cities of any size, and the National should not leave anything undone to promote Pay Promptly campaigns everywhere. It is a most important feature to every association or bureau, and as the success of the National depends upon the success and importance of the locals, it is obvious that expenditures in promoting Pay Promptly campaigns is money well spent.

In this connection however we regret that some of the Meyer Both ads in particular were reproduced without the National emblem. In other words the emblem was in the Meyer Both copy, but was omitted when reproduced. If space in the CREDIT WORLD would permit, we would advise articles to appear therein indicating the desire of the National that all Pay prompty advertising contain the emblem of the National, even though it be locally prepared. Likewise, space permitting, Pay Promptly advertising be featured each month in the CREDIT WORLD.

Respectfully submitted,

W. S. CHRISTIAN,
Chairman.

REPORT

of the

STANDARDIZATION COMMITTEE

Gentlemen:

I have the following report to submit at this time regarding the activities of the Standardization Committee:

At the request of the National Office under the personal direction of Mr. Hulse some 500 or more members of the Service Division submitted three copies of all blanks used in their respective bureaus, both credit service and collections, and upon receipt of these at the National Office they were shipped to me (J. C. Huppert) as chairman of the Committee at Santa Barbara, Calif. After considerable study and careful examination of these various blanks, those which in my estimation were best fitted for universal use were segregated and sent on to Mr. M. G. Riley, a member of the Committee, at Kansas City, personal notations having been made on the blanks in question expressing an opinion as to their adaptability. Owing to the many thousands of blanks which became necessary to examine, the work was long drawn out and very tedious, and it is doubted if a finished report can be made by the Committee at the Toronto Convention. The aims and objects of this Committee could best be served by a meeting of the Committee in person, but this, of course, is impractical, owing to the geographical location of the several committee members. It might, however, prove practical to have a quorum of this Committee meet at an early hour at the Toronto Convention and then perhaps a more comprehensive report could be submitted from the floor at the Convention.

It is very gratifying to note that a majority of the bureaus who responded so loyally to Mr. Hulse's request are using blank forms which give every evidence of being business-like, self-explanatory, and what might be termed great time savers.

It was further observed that in the form used for the standard report, which should be of interest to every bureau manager, a majority preferred one commonly known as "onion skin" of varying thicknesses, size 8½x11, with the name of the association printed in bold letters at the top center and the liability clause in fine print immediately following. This, of course, provides for a report in narrative form.

Quite a number of other bureaus have in use forms known as a "check" form of report, wherein the more important headings as relates to the construction of the report are printed and the answers merely checked off. This, of course, is endorsed by some of the larger bureaus where they issue a large number of reports and is done largely as a means of

REPORT

of the

TELEGRAPHIC CODE

COMMITTEE

The words written here may not be considered as a report of Chairman Mr. H. Orrin Jones, of the Telegraphic Code Committee. Illness of the Chairman interfered with the work of the Committee and the preparation of a report.

Statistics indicate that 42% of the citizens of this country are of migratory tendencies. This has stimulated inter-bureau reporting and it has grown to an unprecedented extent. Speed and accuracy are the outstanding requisites in the development and transmittal of standard consumer reports. Whatever facilitates these requisites will benefit consumer and merchant.

A flexible Telegraphic Code meeting the requirements of changing conditions in consumer credit reporting service should facilitate the rapid interchange of credit information. Such a Code should be sufficiently exhaustive to embrace information relative to installment accounts, liquor hazards, industrial or personal loans, etc.

These things are not covered by the Code now in use. It is felt that if our Code were more complete that it

would come into general use with resulting speeding up of service and reduction in the per unit cost of telegraphic communications. Such a Code, known as the McIntyre's Retail Credit Code has been prepared. Satisfactory arrangements may be made with its author whereby it may be made available to the Service Department.

It is recommended therefore that the Service Department Committee and the Telegraphic Code Committee, if one be appointed by the incoming administration, shall give careful consideration to the McIntyre Code adopting and making it standard, or, in lieu thereof, prepare a Code which shall have the approval of

the membership of the Service Department and which shall be included as a part of the Service Department Roster.

saving time. It is my belief, however, that some definite standard form should be adopted and endorsed by the National for universal use, as this is the one form that is consistently used in inter-office relations.

As regards office records or master cards, I find both the plain master card carrying the name, address, occupation, and other factors as well as the envelope system of filing in use. This latter, of course, has master card ruling on the

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J. C. HUPPERT.

The PRESIDENT'S PRELIMINARY REPORT

JUSTIN H. EDGERTON

We have just concluded a satisfactory year. Reports indicate that our financial position is strong and that we have made considerable progress.

A number of important matters that will be beneficial to all retailers and which mark achievements for our National Retail Credit Association have been consummated during this year. Our membership will please bear in mind when making comparisons with previous administrations that many constructive matters originate in one year and become productive in the next. My predecessors have planned well and rightfully deserve a large share of credit for the important and successful measures that have matured and have been completed during this past year.

Promptly after the last convention we believed it advisable to draft a working plan to cover the entire year. Working with each problem or assignment in the order of its importance we started our rather ambitious program. A recent check with the National Secretary indicates that all items of major importance have been intelligently interpreted and completed by the National management.

The reports in this compendium reflect *thinking, progress and work* for the benefit of our membership and retailing in general.

Rewards of the past year include recognition of our Association from the President of the United States, Department of Commerce, American Trade Association Executives, and from the public press, the invitation by President Hoover, appreciating the power and influence of our organization, to attend the business conference at Washington last December.

The Department of Commerce became greatly interested in the National Retail Credit Survey and, following the President's conference, has been constantly in touch with our National Association to keep abreast of current trends and receive from us facts and figures containing evidence of the restoration of confidence of the buying public. H. C. Dunn of the U. S. Department of Commerce and Dr. W. C. Plummer, of the University of Pennsylvania, have rendered conspicuous work in connection with the Credit Survey.

During the year we appointed a reorganization sub-committee to work out some financial plan whereby the activities of our Association could be expanded for the direct good of retailing covering retail credit granting in all its phases and all branches of agency work. While no conclusions have been reached, and none were expected at the time, as the work was merely in the nature of research,

nevertheless it is hoped that some conclusions can be reached at this convention. The major committee will carefully go over the sub-committee's report before the convention.

For a great many years retailers have been concerned about reputable collection agencies. You have probably experienced interviews with salesmen offering all kinds of unusual inducements to get your collection business. It is proposed through the installation of a supervising collection service department in the office of the National Association to make it relatively difficult for the undesirable collection agency to operate. If the same careful selection in this respect is carried out as is now employed in the selection of our Credit Bureaus, there will be less possibility of loss to retailers through fraudulent dealings. Eventually there will be a complete wiping out of the agencies who engage in business merely for a short time and cause loss to retailers.

We have shown a loss in membership and Mr. Woodlock, Chairman, gives an explanation of it in his report. A number of Associations became 100% National after our books were closed on April 30th, and while it was not possible to include them in the fiscal year, they will reduce the loss for the calendar year. It was most surprising to note that a great many directors of local credit bureaus were not members of the Association. It is difficult to understand how a local director can have a National vision unless he is a member. It is to be hoped as time goes on that this situation will clear up.

Mr. David J. Woodlock has managed well and has found it necessary at times to confer with your president in various cities consistent with my own itinerary. The National office is efficiently equipped and economically run.

The duties of our Secretary, Mr. Guy H. Hulse, have been voluminous and exacting. His duties comprise following practically all of the major and minor committee activities. He has successfully supervised the educational course; engaged in frequent correspondence to assist the legislative committee; worked actively with the Pay Your Bills Promptly committee, the Standard Practice and Supervising Collection committees; worked out with the Telegraphic Code committee a satisfactory code; personally supervised the printing of a Roster covering speakers; invited close relation with finance companies; inaugurated a research de-

(Continued on page 38)

JUSTIN H. EDGERTON.

The
**MANAGER-TREASURER'S
REPORT**

D. J. WOODLOCK

**"Not in the clamor of the crowded
street,
Not in the shouts and plaudits of the
throng,
But in Ourselves are triumph and
defeat."**

OUR annual meeting this year is unusual, as it marks the first time in our history we have assembled outside the borders of the United States.

Eighteen years ago (August 19, 1912) this Association was organized with uncertain objectives and a limited view of its possibilities. Its founders knew Retail or Consumer Credit was becoming one of the greatest forces in business and they realized the necessity of safeguarding it.

Changing conditions brought many adjustments in our original organization, but the one fundamental principle remained, we were an organization for the sole purpose of creating "sound credit procedure" and after seventeen years we believe our efforts have been rewarded by recognition as the outstanding Retail organization of the country.

The year just closed brought unusual recognition by the President of the United States—the Department of Commerce—the United States Chamber of Commerce—the American Trade Association Executives—and the public press.

The President of the United States honored us by calling our President and Manager-Treasurer to the Business Executives' Conference, held in Washington on December 5, 1929, and inviting us to suggest ways and means to counteract the business depression which resulted from the stock market crash. There can be no question but this meeting accomplished its purpose and restored public confidence in business.

The Department of Commerce has been in very close touch with this Association since we proposed the National Retail Credit Survey, and I pause to pay tribute to those members of this Association who so whole-heartedly cooperated with the government in tabulating the figures of that survey, which has become one of the outstanding features of the Department of Commerce work, the final figures of which will be presented to you at this Convention by Mr. H. C. Dunn, Chief of the Domestic Commerce Division of the United States Department of Commerce.

Recognizing that all figures change with time, we suggested to the Department of Commerce that they establish a

permanent Bureau of Credits, and this was favorably received. Therefore, we have now in Washington, as a part of the Department of Commerce activity, a Bureau of Credits for the tabulation and recording of all facts and figures regarding all classes of credit activity, Retail, Wholesale, Banking, Finance, etc.

The United States Chamber of Commerce and its committee, cooperating with President Hoover, has constantly called upon us to furnish information and statistics regarding the trend of Retail business, unemployment, etc., and we have responded wholeheartedly.

The American Trade Association Executives included our organization in the list of those eligible to receive the award of the Bronze Medal, presented annually to the Trade Association doing the most outstanding thing in the interests of Business and the Public. While we did not win the medal award, we were accorded honorable mention for our work in promoting sound credit policies and establishing Bureaus or Clearing Houses for the centralization of Credit Information. This recognition was announced by Secretary of Commerce Lamont during the meeting of the United States Chamber of Commerce in Washington, April 30, 1930.

The public press, both newspaper and magazine, has carried more news in connection with our activities than ever before. The release of our suggestion made at the Washington Conference of Business Executives, to promote a publicity educational program on Credit and the encouragement of prompt payment, was broadcast in every village and city of the nation. Press clippings received at our office indicate the publicity reached eighty-five million persons.

These features are mentioned so as to bring home to each of you that your Association has taken its place in the sun. It has grown to man's estate and assumed responsibilities which make us something more than an organization: we are an institution, we are a stabilizer of the nation's business, we are business builders through sound credit ethics, we are the exponents of thrift and good citizenship.

Re-organization and Finance Plan

Much has been said during the past year about a proposed Reorganization and Finance plan, for the development of which a special committee was appointed at our 1928 Convention and again at the 1929 meeting.

The appointment of this Committee was because of the constantly increasing demand for more service. It has as its objectives the setting up of State and Regional offices, the employment of State and Regional representatives to

promote more intensive activity, more efficient procedure and more contacts, with a greater use of our Credit Bureau service.

All of these features have our hearty approval and all are in accord with the objectives of the National Association.

However, it is apparent that if we are to carry on these activities, additional revenue must be secured. Whether this is to be produced by the plan as presented by the Committee or a modicator or readjustment of some kind must be decided at the Convention. The thought which must be uppermost in our minds in arriving at a decision is a continuing of the constant building of our Association along safe, sane and equitable lines. We cannot lack vision, because that would dwarf our purpose. We cannot be too visionary, because that is not in accord with continued progress without the pitfalls of gambling on exaggerated results.

I am of the opinion that sound reasoning will result in this Convention adopting an increased revenue producing plan acceptable to all, equitable to all, and which will enable us to reach the objectives desired.

Supervising Collection Department

A committee was appointed at the Kansas City Convention, and reappointed at Nashville, to develop a Collection Department in our organization. The Committee has worked faithfully and well, as their report indicates, although there are many features of their plan which should receive our careful thought at this Convention.

I am convinced that we, as an Association of Credit Men, cannot afford to overlook the most vital factor in all Credit extension—Collections—and I am unable to explain why we have progressed for seventeen years without taking some definite and decided action to protect Collections. We have stood idly by and permitted all sorts of unlicensed, unprincipled and worthless collection agencies to spring up over night and prey upon the Retailers of this land. Millions and millions of dollars in collections have been turned over every year to absolutely worthless collection agencies; yet we stand by with dependable agencies in sixty per cent of our Bureaus, and the power to direct our collection procedure.

If I were to suggest an objective for this Convention, I would say, "Don't waste time—Get busy now and set up a Collection Service for the Retailers of the land which will be dependable—Backed by the prestige and integrity of the National Retail Credit Association—Set up as a unit of the Service Department under the supervision of the Board of Directors and the Service Department Committee, and we will have added a vitally important feature to our service. We will not have taken anything from our dignity and prestige as a Credit organization, but will have raised the standards and ethics of the Collection fraternity.

Membership

With our exerting every effort to increase our service features, we did not put forth as much pressure as in former years to increase our membership, and the actual number of paid-up memberships at the close of our fiscal year showed a loss of 883, we having cancelled 3,581 and enrolled 2,698, giving us a total membership of 15,509.

However, during April the Local Associations in San Francisco, California, Akron, Ohio, and Providence, Rhode

Island, reported having become 100% National; and Cincinnati, Kansas City, and Philadelphia reported new members enrolled, but which did not reach us before the close of our books. These totaled 394, and this year's administration should receive credit for their enrollment, reducing the actual loss to 489.

The fact that our membership has fluctuated little during the past three years indicates a dependable and healthy condition. With the creation of increased service features

NATIONAL RETAIL FINANCIAL

As Treasurer I am pleased to present the best financial statement in our history, one reflecting the diligence and carefulness of those charged with the responsibility of caring for and expending the funds of your Association.

These figures are from the official audit of our accounts, certified to by Touche Niven & Company, Public Accountants as of April 30, 1930. We quote from their report:

"Subject to the comments embodied in this report, we certify that, in our opinion, the accompanying balance sheet and profit and loss account correctly show the financial position of the Association at April 30, 1930, and the results of its operations for the year then ended. The operations for the year resulted in a net profit of \$18,114.63, an increase of \$6,826.70 as compared with the previous year."

BALANCE SHEET—APRIL 30, 1930

Cash:	ASSETS
Working fund:	
Cash in bank.....	\$35,783.52
On hand	200.00
	\$35,983.52
Coupon account.....	27,869.84
	\$63,853.36
Accounts Receivable:	
Membership dues.....	\$16,724.74
Coupons	1,363.50
Advertising and supplies	1,222.55
	19,310.79
Advanced Traveling Expenses	500.00
Sundry Debtors	389.95
Inventory of Supplies for Resale	2,358.12
Office Furniture and Fixtures	\$ 7,935.55
Less reserve for depreciation	2,949.40
	4,986.15
	\$91,398.37

and the recognition of our place in the nation's commercial scheme, membership will increase, because of the desire of Merchants to join us rather than our desire to sell them.

We operated this year with no special effort for forced membership. We preferred to give practically all of our attention to service for those already members, and we are gratified that the loss was so nominal. It indicates a stable membership.

Service Department

Never in history has there been such a complete system of coordinated and efficient consumer credit reporting as is now available to the Retailers of the country, because of the constant development of our Service Department.

This Department of our Association activity is the very

backbone of our organization and should be fostered, encouraged and developed by a constantly increasing closer relation between the individual units and the National body.

Legislation

Under the able and aggressive leadership of Past President J. R. Hewitt, and our Washington Counsel, R. Preston Shealey, our Legislative Committee this year accomplished outstanding achievements. See Committee report.

CREDIT ASSOCIATION

STATEMENT

LIABILITIES	
Accounts Payable	\$ 187.26
Certificates of Indebtedness not Presented for Redemption	450.00
Reserve for Outstanding Coupons	29,102.84
Unearned Membership Dues	40,321.34
Surplus	21,336.93
	<u>\$91,398.37</u>

RECEIPTS AND DISBURSEMENTS

Receipts	\$129,522.53
Disbursements	117,225.46
Excess of Receipts over Disbursements	\$ 12,297.07
Cash in Bank, April 30, 1929	23,486.45
Cash in Bank April 30, 1930	\$ 35,783.52

NOTE: Complete details of receipts and disbursements will be given to any member upon request.

COUPON ACCOUNT

Statement of Cash Receipts and Disbursements for the Year Ended April 30, 1930	
Balance April 30, 1929	\$ 25,643.39

RECEIPTS

Proceeds from sale of coupons:	
354,530 @ \$.65	\$230,444.50
101,670 @ .35	35,584.50
100 @ 2.00	200.00
Add:	\$266,229.00
Overpayments not refunded	41.95
Overpayments to be refunded	1,717.05
	<u>\$267,988.00</u>

DISBURSEMENTS

Coupons redeemed	\$241,182.55
Commission-coupons transferred to Working Fund	22,820.00
Overpayments not refunded—transferred to Working Fund	41.95
Overpayments refunded	1,717.05
	<u>265,761.55</u>

BALANCE APRIL 30, 1930. \$ 27,869.84

Education

The Educational program as developed by President J. H. Edgerton provided material for class studies which proved intensely popular and a means of increasing knowledge and efficiency.

I feel this work should be continued as a regular feature of our activities and recommend the *development of a mail order course of study* to reach students in places where there is no organized Local Association, and a post-graduate course to follow the lectures used this year.

Field Work

The necessity for maintaining a corps of energetic, aggressive field representatives making contacts with Credit Bu-

reas and Association units in all sections of the country, becomes more apparent each year. It is our desire to answer the demand for this service by the employment of trained men just as rapidly as they can be secured and our finances permit. Our finances at this time permit the employment of at least two additional field men and no doubt this action will be authorized by the Board of Directors.

National Office

Because of the necessity for increased space and our desire to have the National Office located in a modern building, in keeping with the dignity of the Association, we moved our headquarters from the Equitable Building to the Plaza-Olive Building on September 1, 1929. This building has since become a part of the Missouri Pacific Railroad Building, and is located at 12th and Olive Streets in St. Louis, facing the new \$78,000,000.00 Municipal Plaza in the heart of the city. We secured a five-year lease on these quarters, at a rental slightly in excess of what we paid in our old quarters.

Our Educational Publicity Campaign

When your officers were called to Washington last December, and met with the representative body called together by the President of the United States, we expressed our desire to contribute to the prosperity program through an educational publicity program on the value of Credit, which would, in our opinion, reduce the average time of outstanding retail accounts from seventy to fifty days, thus saving not alone millions of dollars in interest on outstanding accounts, but also releasing large sums for reinvestment. A plan was presented by Mr. Frank Hamilton of the Nelson Chesman Company, advertising agents, and received nation wide publicity.

While there are many diversities of opinion as to the details of this plan, I feel its objectives entitle it to our most serious thought as a forward step in our Association's efforts to promote Credit as a universal medium of exchange.

In my opinion there is presented here an opportunity not alone to fulfill our pledge to the government, but to develop increased Credit buying for each individual Merchant and a respect for terms, which will mean increased turnover in Accounts Receivable.

Future Activities

I am of the opinion there is no necessity for seeking new or unusual features for the coming year's activity. We can profitably devote our efforts to a perfection and completion of our present activities. The building of dependable Credit Bureaus as members of our Service Department should be our main objective. The increase of Field Representatives—A positive and aggressive drive to back up our legislative program—Attracting to our ranks new members—Continuing and increasing our educational features—The development of more Local Associations—and Increasing our service to our present membership—is a program to which we should dedicate our wholehearted support and for the promotion of which we should spend our funds during the coming year.

There is no goal too distant for us to reach, no heights too hard for us to climb, if we will only let sink into our minds the words of Longfellow,

"Not in the clamor of the crowded street,
Not in the shouts and plaudits of the throng,
But in *Ourselves* are triumph and defeat."

REPORT of the Service Department Committee

HE REPORT of the Service Department Committee composed of G. C. Morrison, Toledo, Ohio, Chairman; Chas. M. Reed, Denver, Colo., Vice Chairman; James D. Hays, Harrisburg, Pa.; Allen T. Hupp, Omaha, Neb.; M. G. Liberman, Memphis, Tenn.; Justin H. Edgerton, New York City, N. Y.; Guy H. Hulse, St. Louis, Mo.; and D. J. Woodlock, St. Louis, Mo.; follows:

Field Secretary

One of the most important activities conducted under the direction and supervision of the Service Department Committee has been the work performed by the Field Secretary. Unfortunately we were handicapped in this branch of work during the past year owing to the resignation of the former Field Secretary and it was not until Jan. 10 that we were successful in securing the services of Mr. Frank T. Caldwell, who in addition to a long experience in organization work had for a number of years successfully conducted the Lee County Credit Association at Fort Myers, Fla. Since that date Mr. Caldwell has visited fifty cities in nine states, has delivered addresses to thousands of merchants and credit grantors in these communities and has been present at eight State Conferences of Bureau Managers taking an active part in their programs. The value of this work should not be underestimated as in many instances he has been able to recommend and secure the adoption of new financial set ups for Bureaus formerly handicapped by insufficient revenue. In other cities where it was found that Bureau records were incomplete and unsatisfactory service rendered to individual members Mr. Caldwell devoted a considerable amount of time to develop revised plans for carrying on the Bureau work, consulting different classes of members in order that greater cooperation could be secured for the Bureau and outlining new ideas for service. One of the outstanding features in connection with his work among Bureau Managers and members was the effort made to promote group activities with the result that many Bureaus in the territory covered have been able to develop a profitable service to Automobile Finance Companies, Builders Supply Groups, Coal Dealers and others.

Applications for Membership

Much of the success in the Service Department depends on the careful selection of Bureaus to represent our Or-

ganization. It is the duty, therefore, of all members of the Committee to personally approve or disapprove all applications for Bureau Members in the Service Department. A complete outline is furnished by the Secretary's Office giving information as to organization of the Bureau, its Manager, records maintained, rates charged, collection rates, if any, whether privately or merchant owned and also reports from other member Bureaus as well as opinions expressed by reputable merchants located in the city from which the application was received. All reports are carefully analyzed and decisions are rendered with the object in view of admitting only those to membership who by their established reputation and capacity for service have demonstrated their ability to uphold the standards adopted by the N. R. C. A. and to faithfully serve all members in the community. During the past year a total of 147 applications were presented to members of the Service Department Committee of which 126 were approved and 21 rejected.

Service Department Roster

The new Service Department Roster completed during the past year is unquestionably the most complete and satisfactory that has ever been published. In addition to listing considerably over 1100 Bureaus the names of thousands of towns and cities have been included where reporting service is rendered by an established Bureau in a nearby city, reference to which is given. Another important feature that has been included is the listing of telephone numbers. With this information available long distance telephone connections can be secured almost immediately and service to local members has been speeded up as a result. With the development of State Activities a determined effort will be made to establish Correspondents in every town and hamlet within the borders of the State where Bureaus are not maintained and it is only a question of time until the National Roster will include not only a complete listing of all Bureaus but the names of Correspondents in cities and towns where that service is available.

Speakers Roster

The demand for speakers received at the National Office prompted the idea of preparing a Speakers Roster. The response received from all sections of the United States and Canada was very gratifying and the Roster now in the possession of our members contains the names of many able speakers who have achieved success in their present vocations. This Roster will serve a long felt want when you desire to select a speaker to deliver an address on practically any credit subject.

The field secretary is doing an able work in advancing the cause and activities of the National Retail Credit Association. Since the beginning of the present year over sixty-five addresses have been made by him before civic clubs and luncheon organizations. These talks have been extremely helpful in spreading educational propaganda.

Dual Memberships

It is a pleasure to report that during the past year the Service Department Committee has been able to render valuable assistance as a result of which a number of dual memberships in various cities were eliminated. As the reader is undoubtedly aware the Rules and Regulations of the Service Department provide that they will not accept the membership of more than one Bureau or agency in the same city unless the acceptance of a second member receives the recommendation of the first member in that city or unless special conditions warrant and if the approval of the State Association or Group State Association having jurisdiction is received. This rule has been faithfully observed since its adoption but for many years the Service Department has been confronted with the problem of recognizing several Bureaus who enjoyed National Membership prior to the time when the rule became effective. In a spirit of fairness to all, the Service Department Committee has endeavored to bring about elimination of these dual memberships in a friendly spirit of cooperation and the wisdom of such action is demonstrated by the fact that the dual memberships eliminated during the past year have been brought about without incurring the enmity of the Bureau whose membership was cancelled or antagonizing the interests of their subscribers.

Other facts and figures could be presented to demonstrate the successful operation of the Service Department during the past year but these are shown by records maintained in the National Office and will undoubtedly be covered in the report of Mr. Guy H. Hulse, National Secretary and Educational Director.

Recommendations

The following recommendations are submitted for the consideration of the Officers, Directors and Service Department Committee to be elected during the coming Convention.

First that the necessary support be given to further the development of all State and Group State Associations that an adequate financial plan be presented by the Service Department to provide sufficient funds for the maintenance of a sufficient number of Field Secretaries to carry on the work of developing new Bureaus, assisting those now established, securing and listing competent reporting Correspondents in all communities where Bureaus are not located or operating.

COMMENTS AND RECOMMENDATIONS

The Service Department Roster in its new form has received much favorable comment. The inclusion of telephone numbers has speeded up and reduced the cost of inter-bureau telephonic communications.

The securing of speakers for annual and other Bureau and Association meetings has always presented a problem. To meet it, your Board of Directors authorized the establishing of a Speakers Bureau in the National Office. The first Roster has just been released. Supplements will be issued as new speakers are secured. This is a service which it is believed will meet with universal approval.

Your Chairman recognizes the vital need for recommendations that correspondents be appointed in all communities known as "no man's land." He looks forward to the time when our Service Department will provide at least 10,000 new sources of information in the United States and Canada, through properly trained correspondents holding appointments in that many communities.

Knowing the necessity of and the advantages to be derived from standardization of Credit Bureau and Collection Department forms, your Chairman recommends that this important work be continued and that it be brought to an early and successful conclusion. This, in your Chairman's opinion, will add real emphasis to our efforts to secure National consumer reporting.

The crying need is for additional field work. Your Chairman recognizing this fact recommends that additional field men be employed as rapidly as funds are available. He recommends also that this Convention provide additional revenue which shall be used for this purpose.

Recognizing the dangers inherent in the organization and operation of trade consumer credit bureaus, your Chairman recommends that every effort be made to forestall this tendency on the part of certain well known business and professional groups. He recommends that the National Retail Credit Association at an early date, set up a department under the direction of its Service Department Committee for the development of trade groups within the memberships of our affiliated Credit Bureaus.

It is suggested that consideration be given to the plan of increasing the spread on the M and T Ticket to provide the necessary funds for carrying on this work. It is also suggested that this spread be set aside in the National office to the credit of the individual State or Group State in proportion to the number of M and T Tickets actually purchased by the members of the Service Department within each particular State or Group States. These organizations of States are unquestionably of greater interest to the Bureaus of the country for the betterment of individual service to members than any other plan that could be presented at this Convention. The use of the spread on tickets for financing the work is just and equitable. It will not place any undue burden on the smaller Bureau as their demand for out of town reports is limited. On the other hand it is the Bureau in the larger city that has a greater interest in the development of Bureaus within their area and the proportion of tickets purchased is a fair indication of the amount of benefit each Bureau would derive from the work performed by the Field Secretaries. It is questionable whether just rates could be established if based on population or Bureau income, but the actual demand for this out of town service by each individual Bureau could easily be made the determining factor, and the expense distributed equitably. Another recommendation that is especially fitting at this particular time is that all members of the new Service Department make a special effort during the coming year to establish group service to various trade classifications. The success that has been attained by Bureaus in many of our prominent cities, both large and small, establishes beyond any question of doubt that this class of service is in demand and has become an effective method for reducing credit losses. Unless this step is taken you are confronted with the ever increasing danger of these trade groups setting up their own Bureaus or of some larger organization entering your field and rendering this new service to firms and individuals now listed among your members.

General Information

Throughout the year many matters of importance have been brought to the attention of the Service Department Committee by the National Officers

(Continued on page 35)

FIELD SECRETARY'S REPORT

Gentlemen:

In submitting this report on the activities of your Field Secretary, no effort has been made to cover in a detailed form the various duties with which his time has been occupied. Rather, a brief has been presented showing in a condensed form what he believes will be of greatest interest to the officers and directors as well as the membership; that is, a resume rather than an itemized account of the various phases of detailed work in his department.

Since January 10, your Field Secretary has visited fifty-three towns and cities located generally throughout the Southeastern and Middle Western part of the United States. In North Carolina, thirty-five merchants' associations were visited in as many cities, where addresses were given before representative bodies of merchants assembled.

He also officially represented the National Retail Credit Association at five State Conventions at which addresses were given either on the floor of the convention or during the respective banquets.

Over sixty-five addresses have been made since the first of the present year.

Over sixty-five addresses have been made since the first of the present year, part of which have been made before civic clubs and luncheon organizations. These talks have, in all instances, included the works, aims and accomplishments of our National Association with the thought uppermost of spreading educational propaganda wherever and whenever possible.

Your Field Secretary has made it a point to visit every credit bureau office at intermediary points in his scheduled trips and has tried his utmost to offer suggestions, advice and opinions, looking toward the solving of problems and the improvement of existing methods of service, and hopes sincerely that some of these suggestions accumulated during his travels and passed on to others, have borne fruit.

He has visited the offices of four National Automobile Finance Companies and has discussed at length with the men in charge thereof, the methods and advantages of buying reports from our affiliated bureaus.

This work has necessitated almost continual traveling, and in contacts made in every state visited, his aim has been to promote more active co-operation between our various affiliated bureaus, to secure throughout, more uniform methods, to aid in every way the procuring of additional reporting business from national users of consumer reports, and last but not least, to spread the knowledge among all merchants and business men in every community of the work of the National Association and the prime necessity of affiliating themselves with an association such as ours, whose objective of safeguarding the flow of consumer credit is destined to play a leading part in the business life and success of every retail merchant.

Due to the ever growing numbers of affiliated credit bureaus and credit associations, it is becoming a problem for your national officers to maintain personal touch with our organizations throughout the country. For this reason, the Field Secretary, as a representative of the National Association, is an important point of contact between the National office and our far flung affiliates. He assists in interpreting

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SERVICE DEPARTMENT REPORT

(Continued from page 34)

who have endeavored to keep the individual members of the Committee fully informed on all National problems affecting the Service Department Members. Aside from subjects of minor importance were those of National interest being handled by the Finance, Membership, Legislative, Telegraphic Code, Standardization and Collection Service Committees. Your Chairman is pleased to report that the members of these various committees made every effort to keep us reliably informed of the progress being made and did not hesitate to solicit our counsel and advice on all matters of interest to the Service Department. No comment is being made in this report relative to the work accomplished by the committees named as this will be fully covered by reports from the Chairmen of the various groups.

Your Chairman desires to take this opportunity to express his sincere appreciation and heartfelt thanks to members of the Committee, the National Officers and Directors and to the members of the various groups who have served so faithfully in the interest of the Service Department. We owe much of our success to their efforts and it is not only a duty but a pleasure to express gratitude to those who have served so conscientiously in our behalf.

Respectfully submitted,

G. C. MORRISON, Chairman,
Service Department Committee.



Report of Educational Committee

(Continued from page 23)

Your Committee wishes to lay particular emphasis on the fact that it is entitled to little credit for work accomplished outside the boundaries of California. The lion's share goes to the National Office, and we are indeed grateful to Mr. Hulse and his able staff of assistants who materially aided us in our work, and who are largely responsible for the success achieved.

Permit us to suggest and recommend that a post-graduate advanced course in Credit be arranged during the next administration; also that the present course be continued for the benefit of those cities which so far have not yet organized classes.

Respectfully submitted,

FRANK BATTY,
Chairman.

Field Secretary's Report

(Continued from page 34)

both to the merchants and the credit bureau managers, the policies and aims of the parent association.

In the establishment of new bureaus, your Field Secretary believes that the assistance of a national representative personally present, is vitally necessary. This is not a personal opinion, but is based on the unanimous insistence of every credit bureau manager and merchant in localities which he has visited.

Inasmuch as it is physically impossible for one man to cover the United States, it is earnestly recommended that at the first opportunity, additional field men be employed, to the end that a personal representative of the National Retail Credit Association may visit every community in the country to assist in educational work insofar as possible among every credit granter and retail merchant in the country.

This, in addition to his duties as an organizer and consultant with credit bureau managers and, as an assistant in broadening the scope of credit bureau activities through securing new business, will more than justify the expense of employing new men and, it is felt, will greatly strengthen the already harmonious ties existing between our National office and our affiliated membership throughout the nation.

Respectfully submitted,

FRANK T. CALDWELL,
Field Secretary.



STANDARDIZATION REPORT

(Continued from page 27)

face thereof, carrying more important data, such as just outlined, with space for credit ratings, and the inside thereof is used as an inclosure for written reports, newspaper data, court actions, etc. This latter system (the envelope) is perhaps most practical, as it carries all the data in one package and under one heading, though in the larger bureaus, where the number of reports will run into the hundreds and thousands, it would require a large number of filing cabinets to properly house them.

As regards collection forms, it is found that a majority of the bureaus use what is commonly known as the 1, 2, 3, and sometimes 4 delinquent letters, all of which, while varying in phraseology, carry the same message to the debtor, namely, that nonpayment of bills has a decidedly unsatisfactory effect on his credit standing in the community and which fact once reported to the Association becomes general knowledge to the membership at large. In this, as well as in the credit service department, there are numerous other blanks in use which again no doubt fit very well into local conditions.

Here was our aim and object to standardize the service. The National Association has already campaigned, gathering in sample blank forms from all Credit Bureaus located over the entire country. After that work the Com-

mittee went over these blanks, segregated them, selected the most suitable ones, submitted them to the National Association for their approval, and we think that we have at least a standardization of blank forms uniformly in use throughout the entire country.

Another object and aim of the Standardization Committee, working of course under the supervision of the National Association was to put men out into the field, men of trained knowledge in reporting. These men would have the duty of instructing, educating and helping the weak Bureau Manager in writing a properly constructed, standard report, and we hope to put teeth in that man's authority, that he will be vested with the authority to act in a dictatorial capacity to the point of where it becomes necessary that a Bureau manager lives up to certain rules and regulations and ethics in order to obtain membership in the National Association. We have got to get to something like that, otherwise we cannot proceed, we cannot improve our service.

In conclusion, I strongly recommend that whatever set of forms is adopted for universal use, that simplicity be a strong factor, as it is a well known fact that the public at large is no longer interested in giving time and attention to reading matter at length when the same thought and purpose can be conveyed in a few well chosen words.

J. C. HUPPERT, Chairman.



REPORT

of

John L. Chew

Chairman Supervising Collection Department Committee

MAJORITY REPORT

This committee was authorized two years ago at the Kansas City convention. However, the committee was never organized or a chairman appointed until April 1, 1929, and since that date this committee has worked to provide a National Collection Department.



T GIVES me great pleasure, as chairman of this committee, to report at this time that considerable progress has been made and that a National collection program

has been outlined and approved which will be submitted to the convention assembled at Toronto in June, 1930, for their consideration and, we hope, approval. The rules and regulations governing this department of the National Association have been prepared after careful consideration, much discussion and argument.

Under the proposed plan which your committee has reported and which will be submitted to the convention, it is desired that a membership in the collection department of the National Association will manifest itself in a membership of 2,000 to 5,000 or more members within the space of two years. This program has been devised upon the principle and with the thought in mind of providing an avenue sought by the retail industry of our nation and by the collection units throughout our country for the handling of accounts receivable which have to be forwarded. This program does not confine its membership entirely to collection departments of bureaus holding franchises in the National Association. Rather, it provides that one or more collection units in the vicinity shall be entitled to make application for membership. The circumstances and qualifications are then investigated by the committee and only those accepted for membership which pass the test and is for the best interest of that local community.

It is our desire and hope to build a membership of the most outstanding and successful collection units in this country, with membership scattered from the largest cities to the smallest hamlets and villages throughout this country; with a membership of this kind published in a roster which will be furnished to all members and intermediate forwarders throughout the country, we will have developed a collection program which is a real and an actual reinforcement to the credit structure of our nation and to the backbone of the National Retail Credit Association.

Why a National collection department? Is it to serve the National Association, or is it to serve a local credit man or a local credit bureau? Our problem is one national in its scope and is builded primarily and solely for the pur-

pose of rendering a service to the retail credit industry of our nation. In order to accomplish this task it is necessary to create a membership and provide a published roster that is workable and usable and which provides a sufficient membership that consumer accounts will be forwarded through our channels.

Every member will be a bonded member in the National Surety Company and guarantees adequate protection to both client and forwarder who deals with any member of our collection department. This is something that has never been attempted by any forwarding lists or organization of its kind before. There are many other important provisions in our program which provide for its future. Suffice it to say that this program as reported to the National offices and submitted to the convention at large is one which affords adequate protection for all concerned; guarantees protection to those collection units associated with our National credit bureaus affiliation if their service is adequate and efficient. This program is built upon a national policy and not upon any local contingency or local situation. We must proceed upon the sound reasoning that an institution properly commenced, based on a solid and correct foundation, will grow and endure through the years that are to come and manifest itself as a success and a tribute to those who had the vision to stand by the post and build such an institution.

The collection program and rules and regulations as submitted were approved by the majority of our committee, although Mr. Lewis P. White of San Francisco could not see his way clear to approve the program as outlined, but with this one exception every member of the collection department committee approved this program. There may be particular points in the program which did not meet with their approval, but as a whole our committee almost unanimously approved it. Subsequently it was submitted to the Board of Directors and members of the Service Department of the National Association and a majority of both the Board and the Service Department approved the program, and it is with a great deal of pleasure that the chairman of your committee now submits this program to the convention assembled at large for their consideration and, we trust, approval.

Respectfully submitted,

JOHN L. CHEW,
Chairman Supervising Collection Department Committee.

REPORT

of

Lewis R. White

On Proposed Rules and Regulations of the
Supervising Collection Service Department



MINORITY REPORT

This minority report is submitted because the writer has a sincere conviction that the "proposed Rules and Regulations" submitted by the Committee, are not basically sound, that they do not conform to the ideals and principles of the National Retail Credit Association and that their adoption would not meet with general approval of its membership.

THE real objective for which the Committee was appointed was, among other things the development of an educational program which will benefit the entire membership of the Department.

It is stated in the "foreword" that "There is no reason why we should not have from 1500 to 2000 members by December 31, 1931." If that be true then about 50% of our membership in the proposed National Roster would be composed of private collection agencies. They will subscribe to membership and to the proposed Rules and Regulations ONLY for the purpose of building up their own businesses and not because of any particular interest in the National or its ideals or principles. Membership in the proposed Supervising Collection Service Department and the consequent use of the insignia of the National Association must be limited to the Collection Departments of Credit Bureaus affiliated with the Service Department of the National Retail Credit Association.

As a member of the Committee, I have objected, principally, to three provisions:

1st. The admission to membership of any Bureau or Agency who is not a recognized member of the Service Department.

2nd. Dual representation in any city.

3rd. The schedule of dues.

It would be, obviously, unfair and against the ideals of the National, to admit to membership in the proposed Collection Department, any agency not a member of the Service Department, for to do so would mean that the "National" was working against and not for the interests of its own membership.

If I were engaged in private collection agency work, I would ask nothing better than the plan which has been proposed because, with the endorsement of the "National," I would be on practically the same footing as the Collection Departments of Credit Bureaus

affiliated with the Service Department. The dues are obviously too high and if enforced the Service Department members would not subscribe to them and the whole plan would fall "flat."

The main objective of the Collection Department should be one of EDUCATION for its own membership; the "National" should employ a competent assistant to the Secretary and Educational Director, whose duties should be:



FIRST: To aid and assist the Adjustment Bureaus of the Service Department in building a higher degree of efficiency and service.

SECOND: To aid and assist in the establishment of Adjustment Bureaus where one is not now operated by a member of the Service Department.

THIRD: To adjust complaints between its own Members.

FOURTH: To take an active interest in stopping any legislation which would be unfavorable to its members, and to promote legislation which would be favorable.

FIFTH: To publish in the Service Department Bulletin, articles of general interest to Adjustment Bureaus.

SIXTH: To investigate the ability, efficiency and honesty of some representative in a city or town where there is not a recognized member of the Service Department of the National Retail Credit Association, who operates a Collection Department.



(NOTE: In such a case the "National" will only suggest the name of the agency whom they have investigated and found to be satisfactory, and not recommend them in such a way that any reflection could or would be made against the "National.")

The "National" should be and I believe is, only interested in its own Membership and with that one thought in mind I submit to you that the proposed Rules and Regulations do not meet with that principle and should be changed to conform to a policy of EDUCATION and a policy which will buildup the present membership of the National.

Rules and Regulations as prepared and appearing as a part of the minority report will, I believe, meet the requirements. Such changes as have been made, in my opinion, are necessary for the best interests of the National Retail Credit Association, and as a member of the Committee and of the National Association I am not concerned about anyone outside of that membership.

The President's Report

(Continued from page 28)

partment, the work of which while new should be encouraged. In addition, the Secretary has been obliged to assist with the formation of State Associations and has been called upon as frequently as time would permit to appear personally as a speaker.

Mr. Guy H. Hulse has again proven to be a capable secretary and has worked hard and contributed an excellent share to this year's success. May the president publicly pay tribute to Mr. Hulse's organizing and supervising ability?

We have long felt the need for a department to devote itself exclusively to questions of public relations. There came to our attention a man who had capably presented to us a plan of public policy on credit buying. While we could not accept the plan in its entirety at the time, we were sufficiently impressed to engage the services of this man, and believe that within a reasonable time he will fulfill our expectations along the lines he was engaged for. You have perhaps noted the May CREDIT WORLD. From comments that we have received throughout the country it made a decided impression. It is the hope of our organization to make the CREDIT WORLD self-supporting. It is for this reason among others that Mr. Frank Hamilton was engaged.

While we have not had a real opportunity to carry on our charge promotion and pay your bills advertising projects, there is no intention of giving it up. Instead we have decided to approach this gradually and invite the pooling of the interests of our entire credit fraternity, confident that decided savings will accrue to each community, larger and better coverage will be given and unquestionably a higher type of advertising. If you had an opportunity to contribute the same amount of money and in return get better results, you would at least consider it. That is all that we ask. The convention will hear Mr. Hamilton outline the entire plan, and should you be deprived of this educational treat you can read about it in THE CREDIT WORLD.

Mr. Frank C. Hamilton has demonstrated in a short time his ability to fit in with our National activities.

The Service Department, with which most of you are familiar, performs some very definite functions. They are obliged to look over carefully all applications for agency membership, to work closely with our Field Secretary, to assist in the development of State and Group State Associations, to cooperate with the National office in order to get the best general results, and to make recommendations after proper consideration to the incoming administration.

Mr. G. C. Morrison, Chairman of the Service Department, has capably carried on that important work.

The report of the Chairman of Finance, Mr. LeRoy T. Pease, emphasizes: First, the importance of a budget and the adherence to it; second, that it is possible to develop revenue from other sources; third, that the loss of membership dues is a serious problem; fourth, that the Service Department is in a very healthy condition; fifth, that the time between April 30th and August 1st is not under budget control. The report further calls attention to the Board of Directors committing itself to certain expenditures without first allowing a budget to be prepared.

The report of the auditors indicates that

there is cash on hand of \$63,853.36; in 1929 there was \$49,329.84; surplus \$21,336.93, an increase of \$18,114.63 over the preceding year. The Finance Committee suggests that \$20,000 of this be placed in a sinking or reserve fund. Investments in government securities would make it possible to quickly realize on the investment, if necessary. It further recommends the continuance of a Director of Public Relations. It should be here noted that several months were taken to consider the addition of this department, and that the consent of the entire Finance Committee plus the president and other officers was received after due deliberation. The committee further notes a decrease in membership, which after investigation should be clearly defined to see if it is lack of interest or something fundamentally wrong.

The work of this committee has been largely responsible, together with the management of the National for our splendid financial condition, and we should carefully study all of its recommendations.

The Legislative Committee has been working actively. Each and every one of its activities have a direct bearing on your work and you are urged to read carefully the report of the Legislative Committee.

Mr. James R. Hewitt, Chairman of the Legislative Committee, has carried on the work that he was familiar with and eager to conclude some of this committee's assignments started in his own administration.

The Educational Committee has done splendid work and succeeded in forming over thirty classes throughout the United States with a student enrollment of 1487. The honor for the largest class goes to Memphis, Tennessee, San Francisco second, Oakland third, and Philadelphia fourth. We are sure that the leaders will not mind a little extra tribute to Philadelphia, who have just recently been organized and who have made such splendid progress.

We concur in the recommendations of the Chairman that the work of this committee be expanded, because having some familiarity with it we are frank in saying that they have merely scratched the surface. It is noted that Mr. Thomas H. Larkin, Credit Manager of Oakland, secured 100% in examinations: John Busby, a young Stanford University graduate, and a refer authorizer, was awarded 96 marks. The education of our fraternity is one of the most important things that we can concentrate on.

Mr. Frank Batty, Chairman of the Education Committee, has given valuable time and attention to the important educational work.

We have in the City of Washington a counsel whom we employ permanently throughout the year, Mr. R. Preston Shealey. The splendid work mentioned in the Legislative report was apparently made partly possible by the cooperation of our counsel. It is his duty to keep our National office and membership up to date with what is going on in Washington and he has been most helpful in every phase of this work. His accessibility to the proper sources and familiarity with the methods and procedure of legislative committees in Washington, make him a necessary adjunct to our work in Washington.

The Pay Promptly Advertising Com-

mittee very modestly writes of its activities. It was your president's privilege to look at copies of most of the advertising. A great deal of work was accomplished, and this committee deserves congratulations upon the effective manner in which they have carried on this important assignment. Every request for assistance in this phase of work was most carefully and thoughtfully gone into.

Mr. W. S. Christian, Chairman, was most conscientious in the discharge of his assignment.

The Supervising Collection Department Committee performed a valuable service and completed its work, which will be submitted to our National Directors. Mr. John L. Chew, Chairman, deserves credit for his excellent report.

The Field Secretary's report indicates the covering of considerable ground and valuable work accomplished. A full report of that committee's activities is here printed. Mr. Frank Caldwell is an able field secretary.

The Standardization Committee has now available complete report of methods and forms used by agencies which should be very valuable to a National organization and to the agencies in general. Mr. J. C. Huppert, Chairman, has done most helpful piece of work.

Mr. M. G. Roemer has proven to be a capable assistant and has rendered a detailed analysis of the accounting that has assisted me in my work.

Mr. A. D. McMullen, first Vice President, accepted the office of personal adviser to the president. During the year his counsel and advice have been most helpful.

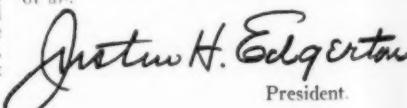
Your president visited twenty-two cities during the year and regrets that he could not accept a great many other invitations received.

May I particularly thank the merchants, officers and directors and credit managers who so graciously acted as hosts and showed me every hospitality? Appreciation is given to all agency managers who gave their time and considerably explained their service to me when I visited their respective cities. The definite impression made on me was the vital part a bureau can play in building a community policy. Where retail credit was extended with facts as a basis, the community reflected a healthy condition.

We are drafting a gold medal to be given to the student getting the highest mark, and although it may not be ready in time for this convention it will be fittingly presented and the award made at a subsequent date.

It would be unfair to conclude without expressing my public appreciation to the Hahn Department Store management for their sympathy with and business-like understanding of this important office to which I was elected.

The harmony, progressive spirit and team work existing this year enabled the National management, Service Department and entire credit fraternity to make progress for the general improvement and profit of all.


Justin H. Edgerton
President.

Secretary's Report

(Continued from page 20)

its field men, its publications, its State and Group State meetings and District Conferences.

Honest and efficient consumer collection service is a business necessity. Eight hundred Credit Bureaus operate Collection Departments. The need for national supervision, controlled by just and equitable Rules and Regulations, is apparent. Much work has been done looking to the establishing of a Supervising Collection Service Department in the National office. Its immediate installation is recommended.

The rapid and accurate transmittal of reliable credit information in inter-bureau reporting must be facilitated. The increasing demand for this service is indicated by the increase in the use of the official medium of exchange—the "M" and "T" tickets. It is recommended in order to reduce inter-bureau reporting costs, that a suitable and satisfactory Telegraphic Code be prepared and placed at the disposal of all members of the Service Department.

The Department of Commerce of the United States government has carried on exhaustive research with resultant benefits to manufacturers, distributors and consumers, in the standardization of the manufactured commodities of many basic industries. As a result confusion has been eliminated, service improved and commodity prices reduced. It is recognized that the same results will accrue through the standardization of forms, practice and procedure of Credit Bureaus and Collection Departments. It is necessary that those engaged in the business of rendering consumer credit reports speak a universal language and proceed along lines which are basically sound. Standardization in forms and practices will bring this about with resulting benefits to all concerned. It is recommended that the work thus far done in this connection be continued and that it be brought to an early and successful conclusion.

PUBLICATIONS

Credit World and Service Bulletins

Much favorable comment has been received during this fiscal year in connection with the evident improvement in the two publications of your Association, namely, the CREDIT WORLD and the Service Bulletin. They are the main medium of contact with members and our outstanding media of publicity and propaganda.

It is recommended that effort be made to constantly improve them—the Service Bulletin through the inclusion of articles and information directed to the attention of the Managers of the Collection Departments of our affiliated Bureaus—the CREDIT WORLD through increasing its circulation and establishing a more definite editorial policy, with the end in view of removing it from the class of "house organs" and establishing it as a National publication dealing with the broader aspects of consumer credit, about which very little is known in a general way and which is fraught with great good or ill in the sociological development of our citizenry.

MEMBERSHIP FINANCE AND REFINANCE

While the membership of your Association does not show an increase during the fiscal year as indicated by

statistics appearing elsewhere in this report, it is in a sound and healthy condition.

It is recommended that a re-organization plan, if found necessary, be adopted at this Convention. It is believed that the Association's setup is sound. Truth of this statement is reflected in the report of the Finance Committee, presented by its Chairman, Mr. Leroy T. Pease, and in the report of the Manager-Treasurer of your Association, which indicates that the surplus at the close of this fiscal year, April 30th, 1930, was \$21,336.93. This was an increase over the preceding year of \$18,114.63. The future gives every promise if the same careful business administration is maintained, of like results.

However, it is recommended that since more field men are required, that an increase in income be made available with the understanding that this increase shall be used for that purpose and that such funds as are necessary for the proper prosecution of this essential work, shall be allocated from surplus now on hand or to accrue.

THANKS AND APPRECIATION

Your Officers and Directors through the person of your Secretary, desire to express their individual and collective thanks for the splendid co-operation given them by the entire membership of the Association, without which the leadership which they have endeavored to demonstrate, could not have produced the results which were ours at the end of this fiscal year.

OUR NASHVILLE HOSTS

This report would not be complete did it not contain a word of commendation regarding the convention held in Nashville, in June, 1929.

While the officers, directors and membership of the Nashville Association have received letters of appreciation from hundreds of their guests, while they have been thanked both publicly and privately for their fine hospitality, it is not amiss to again call the attention of our entire membership to the splendid meeting which was made possible through the effort, energy and intelligent direction of those in charge of that Convention.

This report may very properly close with the statement that all major projects included in our working plan for the year, have been either completed or are well under way.

Respectfully submitted,



James R. Hewitt
Secretary and
Educational Director.

Report of Legislative Committee

(Continued from page 25)

Our sincere thanks is also extended Mr. R. P. Shealey, the Washington Counsel of the Association, who, through his untiring efforts, was of material assistance in advancing the interests of our National legislative program.

It is just possible that a supplemental report will be made to the Convention as the status of some of the matters herein referred to may change between now and the Convention date.

Respectfully submitted,

JAMES R. HEWITT, Chairman Legislative Committee.

DISTRICT CHAIR-MEN

1. George B. Allan
2. Wm. R. Callaway,
3. James D. Hays
4. Floyd Miller

STATE and DISTRICT CHAIRMEN

DISTRICT CHAIR-MEN

5. R. G. Trosper
6. W. V. Trammell
7. W. C. Weagar
8. A. C. Bittle

STATE CHAIR-MEN

ALABAMA
J. M. Holloway, Mgr.

ARIZONA
D. M. Gillan

ARKANSAS
Wm. R. Arendt, Gen.-Mgr.

CALIFORNIA
R. Earl Ruddy, Secy.-Mgr.

COLORADO
L. M. Thompson,
Gen.-Mgr.

CONNECTICUT
A. C. Moreau, Secy.-Mgr.

DELAWARE
State Chairman Re-signed

FLORIDA
F. B. Duryea

GEORGIA
L. S. Gilbert

IDAHO
Herman Marquardt

ILLINOIS
Harold A. Wallace,
Mgr.

INDIANA
G. T. Davis, Sec'y.

IOWA
Charles H. Barber,
Secy.

KANSAS
J. W. Harper

KENTUCKY
J. T. McCarty, Mgr.

LOUISIANA
W. M. Decker, Secy.

MAINE
S. M. Boothby, Mgr.

MARYLAND
(Dist. of Columbia)
J. W. Mehling

MASSACHUSETTS
Philip J. Murphy,
Mgr.

MICHIGAN
E. P. Grossman, Secy.

MINNESOTA
George Fairley, Secy.-Mgr.

MISSISSIPPI
Thos. D. Hendrix,
Mgr.

MISSOURI
John W. Byng, Mgr.

MONTANA
Frank S. Young, Field
Secy.

MEMBERSHIP

Increase Since Organization

1912	75	1922	10,422
1913	150	1923	10,061
1914	320	1924	10,808
1915	850	1925	12,382
1916	985	1926	13,715
1917	1,412	1927	15,020
1918	2,975	1928	16,514
1919	4,417	1929	16,392
1920	8,048	1930	15,509
1921	10,156		

SIX (6) NEW LOCAL ASSOCIATIONS DURING FISCAL YEAR

Bakersfield, California
Bridgeport, Connecticut
Honolulu, Hawaii

Monroe, Louisiana
Cortland, New York
Eugene, Oregon

TEN (10) LARGEST LOCALS

Cleveland, Ohio	964
St. Louis, Mo.	847
New York, N. Y.	753
Kansas City, Mo.	618
Des Moines, Ia.	402
Portland, Ore.	391
Los Angeles, Calif.	368
Denver, Colo.	364
Oakland, Calif.	362
Milwaukee, Wis.	347

SIX (6) LEADING STATES IN MEMBERSHIP

Missouri	1,838
Ohio	1,333
California	1,116
New York	1,094
Texas	885
Pennsylvania	796

SIX (6) LOCALS MAKING LARGEST GAIN

New York, N. Y.	149
Denver, Colo.	87
Reading, Pa.	81
Los Angeles, Calif.	48
Wichita, Kansas	48
Spokane, Wash.	44

SERVICE DEPARTMENT MEMBERSHIP

Our total bureau strength at the close of our fiscal year ended April 30, 1930, was 1058. These bureaus have as members and serve approximately 150,000 business and professional men. In their files is the antecedent history and credit record of 60 million consumers.

DISTRICT CHAIR-MEN

9. M. G. Riley
10. S. L. Gilfillan
11. F. J. Haben
12. Max Meyer

DISTRICT CHAIR-MEN

13. Charles M. Reed
14. J. E. R. Chilton, Jr.
15. John N. Keeler
16. J. H. Van De Water

STATE CHAIR-MEN

NEBRASKA
Allen T. Hupp

NEVADA
John R. Clarke, Mgr.

NEW HAMPSHIRE
J. Fred French

NEW JERSEY
J. Wm. Pennell, Mgr.

NEW MEXICO
John Crowe, Mgr.

NEW YORK
Fred G. Waite, Mgr.

NORTH CAROLINA
R. L. Powell, Secy.

NORTH DAKOTA
G. Grosz, Mgr.

OHIO
H. Orrin Jones, Mgr.

OKLAHOMA
W. A. Rayson, Secy.

OREGON
Mrs. Helen T. Baker

PENNSYLVANIA
William L. Bloom,
Mgr.

RHODE ISLAND
Charles F. Sheldon,
Mgr.

SOUTH CAROLINA
T. B. Godfrey, Mgr.

SOUTH DAKOTA
A. G. Zick, Secy.

TENNESSEE
Marvin F. Outlan,
Mgr.

TEXAS
G. O. Wendt, Secy.

UTAH
Wm. A. Perkes,
Secy.-Mgr.

VERMONT
D. E. Moore

VIRGINIA
U. T. Lemon, Secy.

WASHINGTON
N. M. McLeod, Mgr.

WEST VIRGINIA
V. A. Rogerson

WISCONSIN
Fred S. Krieger

WYOMING
C. L. Lierd, Mgr.

The Veering Flaw

News from the four corners and from the center of the country bring us many messages about general business conditions. Pulling these off of the spindle and sorting them gives us the following resumé of our current economic situation with the usual brevity.

GENERAL INDUSTRY slow with certain spots favorable in specific lines but summer slumps ahead.

GENERAL RETAILING also spotty, occasional report of good local selling. Generally slow with hopes for fall recovery. Hand-to-mouth buying continues with decreasing inventories. Collections generally slow but not alarming.

BUILDING still labors under handicap for financing. Few projects other than public structures and highways are consistently good. Residential development, the diversified field for most skilled building labor, is still slumbering.

COMMODITY PRICES begin to slip downward faced by uncertain demand. Known production surplus helping to push prices down.

TRADE INDICATORS are one in their direction toward continued depression. No signs on the skyline pointing to rosy recovery yet. Shirt sleeves still the watch word for hard work.

STOCK MARKET figures cannot be considered reassuring and board rooms do not need folding chairs for overflow crowd.

FARM CONDITIONS are being discussed in Washington. Fortunately, farmers are at work in the fields. More attention toward diversified crops will aid in prices later in the year. Production is in the hands of the weatherman but green fields, sweating horses and belching tractors will do their full share.

EMPLOYMENT still makes front page news and adds to bread lines in industrial centers. Unions note decrease demand. Industry is playing all cards close to the vest. Nothing is in sight for unskilled workers except wrestling with bumper crops in wheat fields. Skilled workers through adjusted working schedules are retained on existing incomes. Rumbles are reaching Washington. Politicians with their eyes eastward will begin to talk, later, think,

..... and he watched
how the veering flaw did blow.
..... then steered for
the open sea.

By
H. W. Pote



Whoever solves the employment problem will be king either in the eyes of the righteous population or win the title by public acclamation. Hungry hands, famished families cannot be expected to have a patriotic fervor when it is food that they need. Those that want work should have their inherent right to obtain it according to their deserts and qualifications. He who leads them to their labors by which they may obtain food and shelter will have aided the nation at a time when dark shadows harbor the spawn of volcanic disruption. Now is the time for a great man to serve his country. No politicians need apply.



Showing a group of men out of work searching the help wanted columns posted daily by the St. Louis Star, which has been conducting an editorial drive to help the unemployed.

Credit may be a watch dog but its valued services come from barking at alarm rather than biting at it.

Perhaps we had better demand that banks and trust institutions install credit departments for their personnel. This would tend to decrease the number of employees who are so unfortunate in running the risks with their patrons' money.

Banks should not put temptation in the way of their people when they install travel bureaus for the convenience of their patrons. Last week a cashier selected the wrong boat which docked at a port covered by our extradition treaties.

Many of us are out looking for the fellow who started this economic depression. The day will soon arrive when the credit executive of the retailing organization will be a father confessor for the clientele of the store.

Guidance in wise purchasing, assurance for scheduled payments of obligations and kindly advice for the lower-income purchaser will bear the rich fruit of higher profits through lower losses.

Much of this ringing of hands and wailing of economic despair can be eliminated if business men will come to the realization that we are in a new era. Old methods are done for, old policies are ready for the scrap heap. The formulae for success have been modernized.

Our present departure from good business conditions is the only manner in which this change can be brought home to the average business man. The old game is over and the present one requires some new rules. A little skull practice on the rule book is the right medicine to prescribe for the temporary illness now upon us.

No one or any set of conditions have put the lethal drops in to-day's business. It is still here but not in the same places or in the same degree of plentifullness. If it is likened to an elusive butterfly, then we need to get out our nets and make sure the mesh is fine enough to hold what we are seeking to land in the twine.

Many are outspoken in their honest belief that business needs to divorce the old rule-of-thumb methods. That is correct, for if the separation does not take place, other means will accomplish the same end without much sentiment. But what is most necessary at this time is to tell these seekers after merchandising success how to adjust themselves to the new age.

SOME CHARTS THAT TELL

Aging and Collection Percentages

By
B. M. Weinhold

As Given at the Tri-State Credit Convention, Youngstown, Ohio, March 12-13, 1930

The purchases for March are \$56.00 and so this amount is entered in the Age Recap in the March space. In April a payment of \$26.00 is credited and is subtracted from the oldest amount owing on the Age Recap, by crossing off the \$56.00 and entering \$30.00 above it.

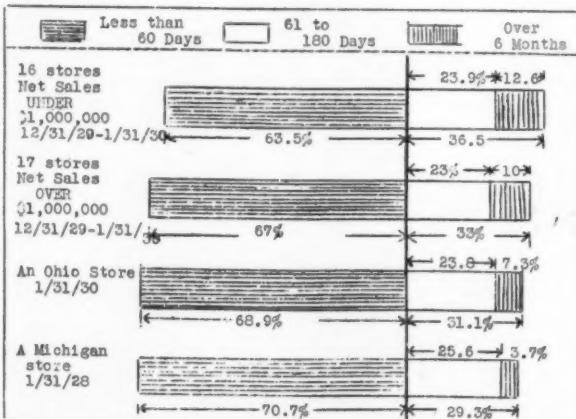
To obtain the amount of Net Purchases for April by using formula No. 1, take \$83.00 (balance end of month) plus \$26.00 (payments made during month) equals \$109.00, minus \$56 (balance end of previous month) equals \$53.00. This amount of \$53.00 is entered in the April space. Proof: \$30.00 plus \$53.00 equals \$83.00, which is the same as Total Balance amounts on ledger sheet.

The payment of \$20.00 in May is deducted from oldest balance in Age Recap or \$30.00 in March, also the Jewelry return of \$5.00 because it was purchased in March, which still leaves \$5.00 owing for March purchases. So, \$30.00 is crossed off and \$5.00 entered in the March space. Since there are only two purchases in May, it is easier to add \$20.00 plus \$10.00 equal \$30.00 to obtain the amount for the May space on Age Recap than to use Formula No. 1. Proof: \$5.00 plus \$53.00 plus \$30.00 equals \$88.00, which is the same as the ledger sheet balance at end of May.

DATE	ITEM	DEBIT	CREDIT	BAL.	AGE RECAP
Mar. 1	2 Hose 2.00	4.00			Feb.
	1 Pr. Shoes	12.00		16.00	5.00
3	1 Dress	25.00		41.00	30.00
10	Jewelry	5.00			25.00
	Bag	10.00		56.00	March
Apr. 1	Toilet Goods	2.50		58.50	53.00
5	Men's Furn.	10.50			April
	Gloves	3.00		72.00	30.00
10	Cash		26.00	46.00	May
25	Housewares	12.00			
	Lamps	25.00		63.00	June
May 3	Shoes	20.00		103.00	
10	Cash		20.00	83.00	
15	4 Hose 2.50	10.00		93.00	July
20	Jewelry Retd.		5.00	88.00	
FORMULA					
No. 1 MONTHLY PURCHASES = BAL. E.O.M. + PAYMENTS And Credits - Bal. End of Previous Month.					
No. 2 DEDUCT CREDITS FROM THE MONTH OF Purchase if any Bal. is owing for that Mo.					

CHART No. 1—HOW TO AGE AN ACCOUNT

CHART No. 2—AGING PERCENTS



tal Owing and add stops for monthly amounts, machine will lock if pencil aging copied from Age Recap on ledger sheet does not total to correct balance owing on ledger account.

1. In the analysis of one store's records we find that \$64,220.00 per \$1,000,000 of regular account sales was over sixty days old. In other words, this represents extra capital required to carry the accounts over sixty days old, whereas if accounts were really maintained on the thirty day basis this amount of \$64,220.00 and considerably less would not be needed.

1. In reality this entire amount of \$5,137.60 is unnecessary expense which is not properly included in the budget of the store because it represents expense incurred in acting as a banker for delinquent balances on customers' accounts, which

Less than 60 Days	Over 60 Days
68.9%	31.1%
→ \$142,440.00	→ \$64,220.00 →

CHART No. 3—AGE PER \$1,000,000 OF CHARGE SALES

Interest on \$64,220.00 @ 6%	\$3853.20
State Tax, Bad Debt Loss, Insurance	
Extra Collection & Bookkeeping expense est. at 2%	= 1284.40
Total Carrying Charge	\$5137.60

CHART No. 4—CARRYING CHARGE ON \$64,220.00 ACCOUNTS RECEIVABLE OVER SIXTY DAYS OLD.

THEIR OWN STORY

Accts. Rec. 1st of Month	Pay- ments Rec'd	1929			1930			
		***			***			
		Coll.	**	*	Coll.	**	*	
Feb	190780	73095	38.3	41.2	41.0	199830	75120	37.5
Mar	176360	74490	42.2	41.9	44			
Apr	146285	80350	45.1	42.0	43			
May	197860	82310	41.6	43.9	44			
June	198120	80190	40.5	42.3	42			
July	195985	78945	40.3	42.8	42			
Aug	172010	68460	39.8	36.4	40			
Sept	171960	70675	41.1	37.6	39			
Oct	190530	61655	42.9	42.0	43			
Nov	200680	87740	43.7	43.1	43			
Dec	203400	83250	40.9	42.5	42			
JAN	261100	112610	42.9	43.0	46			
TOT.	2345070	973170	41.3	41.8	43			
	1	2	3		1	2	3	

* University of Michigan report for 1927 for 133 stores averages obtained thru co-operation of N.R.C.A.

** Figures published monthly by Federal Reserve Banks in each district.

*** Column three equals column two divided by column 1.

CHART No. 5—MONTHLY COLLECTION % CARD—
REGULAR ACCOUNTS

customers themselves should pay, in fairness to the prompt paying customers and the cash customers.

1. Collection % equals Payments Received during the month, divided by Accounts Receivable first of month.

2. Every Credit Manager should compare his collec-

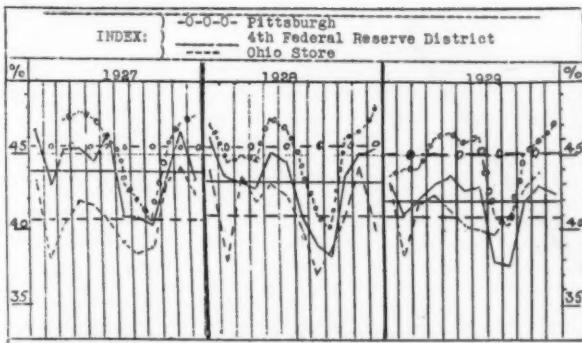


CHART No. 6—REGULAR ACCOUNT COLLECTION PERCENTS, FOURTH FEDERAL RESERVE DISTRICT, COMPARED WITH PITTSBURGH AVERAGE AND AN OHIO STORE

Federal Reserve average percent as well as the University of Michigan percents for 1927.

(Continued on page 51)

Recommendations

- Secure a rating from the Credit Bureau for every new applicant before opening any account.
- Explain carefully that an account is a convenience only and that all purchases for any month are due on 10th of following month, or at least within thirty days from date of each purchase.
- Age every account every month.
- Send a notice to every customer whose balance becomes sixty or more days old promptly. (See notices A, B and C.)
- Compare Collection Percents monthly with other stores and with Federal Reserve.
- Compare aging percents at end of each year through questionnaire from National Retail Credit Association and perhaps also locally by submitting percents only to local bureaus.
- Charge interest on delinquent regular thirty day account balances in order to be fair to prompt-paying regular account customers and to cash customers.
- Have joint committee of National Retail Credit Association and Controllers' Congress of National Retail Dry Goods Association present a suggested plan for charging interest on delinquent regular account balances at coming National Convention of respective associations.
- Adopt a uniform Deferred Payment Plan in so far as possible by all stores.
- Continue studies like that of University of Michigan in 1927 and perhaps ask N. R. D. G. A. to co-operate.

GENERAL TABLE	AVER. NO. DAYS AMTS.	COLL. %	T.O.	Coll.	AV. NO. Days, Amts.	
					1929	1928
30	3.6	100		41.8	5.0	71.8
35	4.2	86		43.2	5.2	59.4
40	4.8	75		43.8	5.2	68.5
45	5.4	67		43.8	5.2	Res.
50	6.0	60		1927	44.5	5.4
55	6.6	55		1928	45.5	67.4
60	7.2	50		1929	45.5	Dist.

CHART No. 7—TABLE OF COLLECTION PERCENTS
—TURNOVER AND AVERAGE NUMBER OF DAYS
OUTSTANDING.

tion percent at the end of each month with the previous year's per cent for his own store and with the current

CHART No. 9—ANALYSIS OF 100 ACCOUNTS IN
1920 AND IN 1929 (NOT IDENTICAL) SHOWING IN
HOW MANY LARGE STORES EACH HAVE
ACCOUNTS.

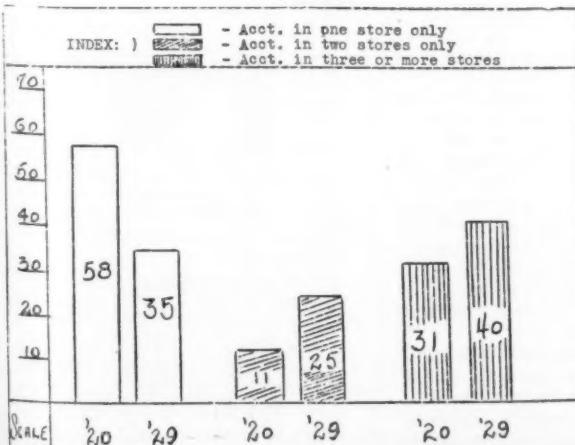
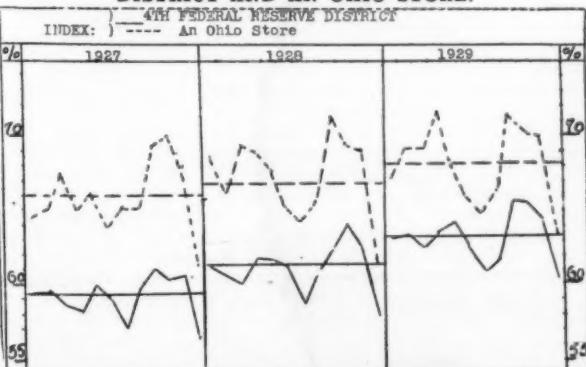


CHART No. 8—PERCENT OF ALL CREDIT SALES
TO TOTAL SALES, FOURTH FEDERAL RESERVE
DISTRICT AND AN OHIO STORE.



"Is Retail Credit a Force or a Gesture?"

By Mr. T. C. Palmer

MERCHANTS today have very generally taken a decided interest in credit, and those who have not done so voluntarily, sooner or later will be forced to do so. Merchants are confronted by a continuous performance of increased service demands and decreasing profits. Because of the added costs of new retail features that multiply year after year, a survey of what is of value and what is not would seem to be in order now.

The twenty-eight or thirty years that I have been in the retail business almost constitutes its transition from a simple necessary line to the great complicated business of today, broken down into division after division; more divisions, in fact, than it was ever thought possible, not to speak of their necessity.

In 1900 the retail business was one of buying and selling. Both were simple. There was nothing difficult about buying what you knew the people wanted and were going to continue to want. Employment was an easy matter, usually employing people who were known to some one already in the store or who were well recommended by some one outside the store. Advertising was only slightly used. Office and finance were simple. Credit was the simplest of all because there was so little of it.

With this as a foundation we started to build the great superstructure that we know today as the retail business.

The power of advertising first began to make its influence felt when

When we began to use the exchange privilege as the reason for buying, we turned a force into a gesture.

And today there is not a merchant who has courage enough to say he will not exchange.

national advertisers discovered the fact that a business could be built almost overnight by taking space in the popular publications. The retailers were soon forced to stock lines that they had not considered previously. New lines were brought out and we had a push in merchandising generated entirely by the manufacturers and transmitted to the public.

Retailers sensed the fact that something was happening, and they themselves started to experiment with the power of advertising. The simple process of sending a few items to the newspaper to be set up in a boxie manner developed into well thought out plans in merchandising and advertising.

◆

Today we have the spectacle of the merchants competing with each other in offering credit features. If credit is a force, are we going to turn it into a gesture by abuse?



MR. T. C. PALMER
Vice President Walkers, Los Angeles, and
President Los Angeles Retail Merchants
Dry Goods Association



An advertising manager was installed who started to develop the sales department. This department was broken up, or broken down, into many parts, starting with the advertising manager himself. He established an artist division, a layout section, copy-writers, proof readers, and soon a sales manager appeared. He was always clothed in a raiment of importance, conscious of his power and willing to let every one know that he made the wheels go round and without him the place would go broke.

Advertising begat another child, the merchandise division—headed by a merchandise manager who set up divisional merchandise managers, comparison departments, research departments, buyers, stylist, and a flock of assistants.

About this time the cry went up that the employment was not keeping pace, so another child was born—named the employment superintendent. He inaugurated psychological testing division, training division, personnel division, performance and percentage division, welfare division and what not.

Now these three or four children required another playmate so the controller came into being; and he immediately started out to justify his existence and to prove that they had not made any mistake by inviting him in. There quickly appeared an auditing department, book-keeping department, thirty day credit accounts, installment accounts, credit managers, cashiers, budget divisions, unit stock control, retail systems, statistical division, inventory department, etc.

About this time the manager of the store decided that he had better do something for himself and his country's good, so he started a family of his own. Free deliveries twice a day, palatial rest rooms, free exchanges, approval deliveries, C. O. D.'s, better fixtures, free gift boxes, special wrapping, and accommodation desks were some of the new demands made upon the family purse.

All of this, rolled into one great complicated operation, rests upon the foundation of a simple retail business. Other additions are still to be added, and all will be erected on the same

◆

We are so afraid of our customers that instead of educating them along consistent business lines of service, they are educating us upon the foundation of our own weakness, Fear.

foundation. Is the retail business going to become top heavy? Can it stand a development along these lines of multiplied service?

It would look as though it were time to pause and take a correct inventory of our public's requirements and demands—to see if here or there we have not gone too far in a mad effort to outdo our competitors and please our public. Surely there is a common basis upon which all retailers can stand and cooperate to their mutual success.

Looking again at this great retail family we notice one particularly vigorous youngster that has been given the name of credits. Like every growing child, he is a problem.

(Continued on page 46)

The History of Credit



Babylon



Rome



Jews



Brahma



China



Oronoc

Under the present organization of society it is impossible to carry on business without credit. Credit is the power to command present wealth in exchange for some assurance of a future payment or return. It is built primarily on the confidence we have in individuals to pay. Not only must we have confidence in their ability to pay, but also in their integrity. We must also have confidence in the property which is used for security. When these conditions are secured, then there is an opportunity to carry on business in a substantial way. It is said that over ninety per cent of the business transactions of the world are done on credit; that is, people are to this extent trusted for payment.

The origin of credit dates back many years, and attempts have been made to mark it with the honor of extreme antiquity. Mr. Aldrich, in his "Money and Credit," treats entertainingly of the customs supposed to be prevalent in Babylon and Phoenicia, from which it is shown that "credit instruments" were to all intents and purposes in use in those ancient lands.

There can be no question but that credit was used by the Romans. A strong argument in support of this position is the fact that the fundamental bases of the laws affecting credit of even this day can be traced to the legislation of Justinian. These laws show indubitably that the Romans practiced credit in its most modern utilities, and instituted the custom of using credits as the basis of providing themselves with capital when needed.

It is a remarkable thing that the system of credit originated by the Romans, and which differs in no essentials—if at all—from the purposes and functions of credit which we employ today, should have practically disappeared until a few centuries ago, barring the banking credit of some of the Italian cities and that of the Bank of Amsterdam in the Middle Ages.

The trade of banking, which is essentially a credit institution, since every deposit immediately creates a debtor-creditor relationship, can boast of an extraordinary antiquity, not only in a primitive fashion, but even on a well-developed system and advanced principles.

Long anterior to the time when there were coins, lending at interest was carried on to such a degree by the Jews

that it grew to be an evil, against which Moses had to hurl divine enactments.

Among the ancient Brahmins the laws of loans and interest were fair and equitable, regulated and settled by recognized rules. Bank notes were issued in China, it is claimed, about 120 B. C. From the clay tablets unearthed near Nineveh and Babylon we have records of loans on lands and house property, and evidences of loans of silver at rates of interest on personal guaranty.

The banks of ancient Greece and Rome received money on deposit, to be repaid on demands made by checks or orders at some stipulated period, sometimes paying interest on such deposits and sometimes not. Their profit rose from their lending the balance at their disposal at higher rates of interest than they allowed depositors.

The important and prominent position occupied by the Roman bankers can be judged by the fact that numerous laws were made regulating their practice, and by the frequent references to them by Latin authors. Laws against usury were enacted in Rome, and a legal rate of interest was fixed at 8% per cent. In the time of Cicero, the legal rate was fixed at 12 per cent, and in 528 A. D. the Emperor Justinian reduced it to 4 per cent for loans to illustrious persons, 6 per cent for loans for commercial purposes, and 8 per cent for loans which did not come under either of these descriptions.

We believe foreign letters of credit were also understood by the Romans, as from Cicero again we learn that when he sent his son to Athens to study, he made inquiries as to obtaining a letter of credit on Athens, in preference to the alternative of Marcus taking money on his person.

People who had a genius for money-trading—the Jews—established business in many parts of Europe about 800 A. D. It was the Jews of Lombardy, or Lombard Jews, who thus distinguished themselves. Some of these merchants were sent into England by Pope Gregory IX, in 1229, to lend money to the convent communities and private persons who were unable to pay the tithes which in that year were rigorously collected throughout the Kingdom. These emigrants settled in that street in London which was named after them (Lombard Street), where many bankers have their offices.

"IS RETAIL CREDIT A FORCE OR A GESTURE?"

(Continued from page 44)

I wonder if we are accepting credit in the affirmative. Are we proceeding on the basis that it is all right rather than judging it by its accomplishments?

Each store, it appears, is willing to try one service experiment after another in an endeavor to win its public or to put something over on its competitor. We are all so anxious to do something for our public, but the public has a large appetite in the matter of service. It is unquestionably selfish. Stores can exhaust themselves, become bankrupt, or do anything in a mad effort to compete in service and to compete in pleasing the public—and the cost, as far as the public is concerned, is never considered.

Customers will take any thing you give them that they can use and they will multiply its use to the point where it becomes a necessity; and then a great many of us will take refuge in the statement—"Well, this is a modern age, and we have to merchandise entirely different from the way stores were run a few years ago."

The exchange privilege, a simple innocent thing, was started in the interest of service. Today it is a growing monster that threatens to overthrow the thing that created it. With exchanges running from seven to fourteen per cent, it has become a real problem—one that constantly adds to the overhead. Exchanges in the beginning were a force, in that customers bought with a greater degree of assurance, because they could return the merchandise if it was unsatisfactory; but when we began to use the exchange privilege as the reason for buying, we turned a force into a gesture.

And today there is not a merchant who has courage enough to say he will not exchange an article a customer returns that was bought in his store. It has become an integral part of merchandising. We cannot blame the customers for this abuse of the exchange privilege, for the abuse begins with the merchant.

Look at the free delivery system.

From twice a week to once a day. Then twice a day. City wide. Then within a hundred miles. Then the state. Then the section which usually included three or four states. And now many stores offer delivery all over the continent. The public accepts this manifestation of service and interest, but they are in the same category as "Yesterday's extravagance is today's necessity."

We cannot blame the public. We offered these services. They accepted

Credit is occupying the center of the stage at present. It is a service, an encouragement to buy. It started just as all the other innocent, simple things that cost little in the beginning. You are all familiar with its growth, which now includes practically every line of business.

Today we have the spectacle of the merchants competing with each other in offering credit features. If credit is a force, are we going to turn it into a gesture by abuse?

I have been wondering whether we are not using credit as a panacea for every ill in business, and if we are not by over-indulging our faith in it, weakening our merchandising department. Is liberal credit going to become the motivating force in our business, and are stores that were outstanding in merchandising going to be conspicuous for credit? Is the term "a great merchant prince" going to become "a great credit man?" Is the real purpose of merchandising, to sell goods at a profit, going to be lost sight of, and are service features to take its place?

Among merchants there is never any feeling of jealousy or criticism when a shrewd merchandising proposition is put over by others. Merchandising is essentially a store's function. If by shrewd buying, keen anticipation of public demands, one store is able to step out in front, it is the greatest possible stimulant to the other stores. When a new service is added by one store, the others are forced to meet the increased cost by also adding the feature and the result is wholly negative.

The retail stores stand today as the finest example of consistent development to be found in any industry. Merchants have shown themselves to be possessed of a consuming ambition to improve their business. Their ingenuity, resourcefulness, and untiring effort have raised the standard of

their business to its present high peak. Vast sums have been expended for fixtures of the proper kind and color.

(Continued on page 53)



WALL STREET

Here is an opportunity to look down on millionaires. This photo shows the corner of Wall Street and Broad Street—the very heart of New York's financial district. The pillars of the Stock Exchange, the scene of the big party last fall, are easily recognized and in the foreground under the low roof is the famous firm of J. P. Morgan & Co.

them and later demanded them. There are many other things that we are constantly offering in a misunderstanding of service.

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Map of the United States.

The Law of Retail Gravitation

Retail business gravitates from smaller cities with striking consistency, in accordance with a definite law of retail gravitation. In its simplest terms, the law may be expressed as follows: under normal conditions two cities draw retail trade from a smaller intermediate city or town in direct proportion to some power of the population of these two larger cities and in an inverse proportion to some power of the distance of each of the cities from the smaller intermediate city. In any particular case, the exponents used in connection with population or distance are dependent upon the particular combination of retail circumstances involved in that case. Typically, however, two cities draw trade from a smaller intermediate city or town approximately in direct proportion to the first power of the population of these two larger cities and in an inverse proportion to the square of the distance of each of the larger cities from the smaller intermediate city.

Since the calculation of the appropriate exponent in any particular case is a complicated problem in mathematics, and since the retailers who will use this law are, as a rule, not mathematicians, the application of the law has been simplified so that the ordinary retailer can use it. One of the most significant discoveries in this study that has made simplified application possible is the close relationship between newspaper circulation of a city and the retail influence of that city's leading stores. As one travels along the main lines of transportation that lead from a city, newspaper circulation of that city usually diminishes at about the same rate as retail strength. It has been found that newspaper circulation of two large cities in an intermediate city or town typically approximates the relative amount of retail business which the two larger cities enjoy in the smaller intermediate city or town.

This does not mean that newspaper circulation is the only factor that regulates or controls the retail strength of a city. It does mean that the news-

A Study Underwritten by the University of Texas (Dept. of Business Research) to Help the Problems of Retailing.

paper circulation of a city and the retail trade of leading stores of that city are, to a large extent, both conditioned by the same factors. Both newspaper circulation and retail trade are helped or hindered in a similar way by the strength or weakness of such characteristics in the surrounding territory as road conditions, lines of transporta-

tion and communication, class of consumers in the surrounding territory, density of population, business institutions, social and amusement attractions of the city, the nature of competition offered by smaller towns, the natural barriers such as mountains or rivers.

The law of retail gravitation interprets a tendency toward outside buying that has been recognized for some time but that has never been clearly defined or understood. The law permits one to measure and to analyze outside trading in terms of classes of people and kinds of merchandise involved in various-sized cities and towns. Only through such measurement and analysis can outside trade, and the factors which influence it, be understood.

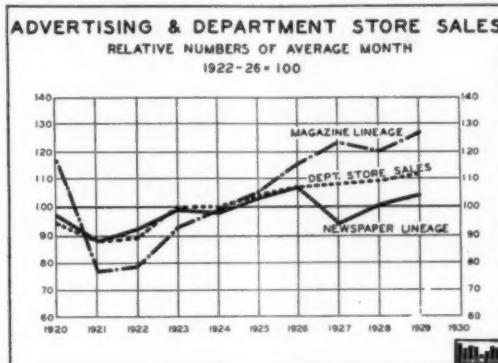
The law involves all different-sized cities and towns and to some extent all kinds of merchandise. When one city attracts retail trade from a small city or town, the basis for that attraction is primarily the retail service offered in connection with style and specialty goods. But the purchase of standardized goods is frequently involved as an incident to the purchase of style and specialty goods. Many consumers, living in a small city or town, correctly or incorrectly hold the idea that they are able to buy standardized merchandise in larger cities at a saving.

Obviously, the law involves only those classes of people who do part of their trading outside of the city or town in which they live. In cities over 100,000 population, those families whose annual income exceeding \$5,000 are most likely to be responsible for the business that is lost to a larger city.

For your reference we reprint from an article in the May CREDIT WORLD showing income percentages:

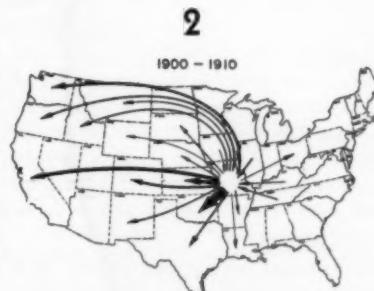
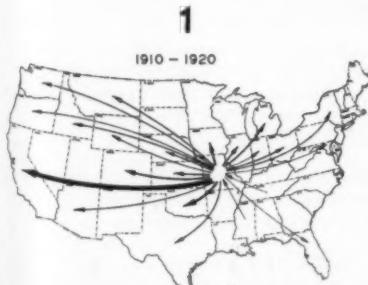
38.1% of homes have \$2,000 or less.
28.8% of homes have from \$3,500 to \$5,000.

6.9% of homes have from \$5,500 to \$9,000.
5.2% of homes have more than \$9,000.



The chart above, which was produced by the research department of the Credit World for other purposes shows clearly another analogy—newspaper advertising lineage (not circulation) with department store sales. This is mainly interesting from the point of view that the newspaper is showing slightly less influence upon the buying power of its community now than heretofore and that national magazines which through their national advertising of brands and trade marked goods have captured the consumer and influenced the retailers, are increasing in importance to department store sales.

The immigration of people is interesting too to the credit retailer from the point of standardized credit practice and especially in the matter of the importance of advertising credit on a national, single theme, basis—only 58% of the people in the average community "stays put," the other 42% circulates. The charts 1 and 2 show the trend of this immigration from the last census report on St. Louis. The 58% that "stays put" is in turn, of course, influenced by the law of retail gravitation. There is no such thing as the exclusive local appeal.



In small towns, however, all but the poorest classes of people are usually involved in out-of-town trading. In small towns the percentages are different:

- 70.5% of homes have \$2,000 or less.
- 19.0% of homes have from \$2,500 to \$3,000.
- 8.4% of homes have from \$3,500 to \$5,000.
- 1.4% of homes have from \$5,500 to \$9,000.
- 0.6% of homes have more than \$9,000.

About 30% of the small town buyer is attracted to the larger market and is able to buy appreciably.

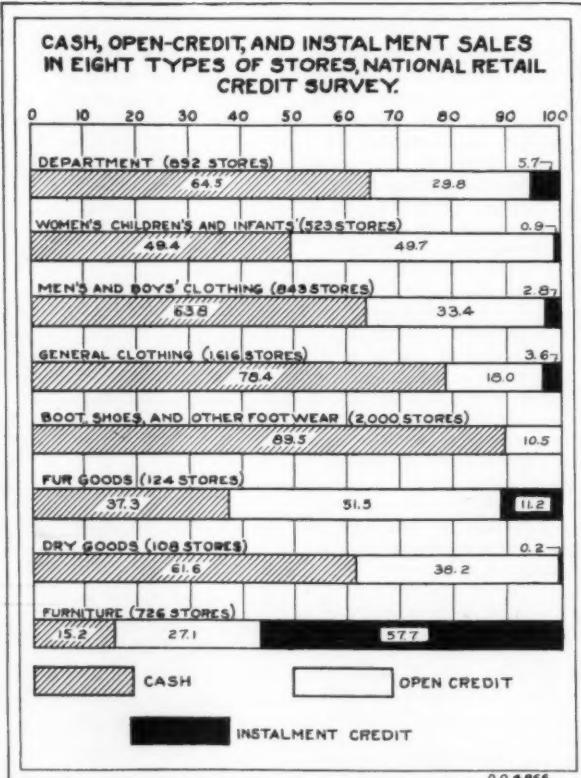
Application of the Law of Retail Gravitation.

The immediate practical value of the law of retail gravitation is obvious when one considers that the retailer can approximate at his desk, on the basis of newspaper circulation reports, the proportion of outside business which goes from his store or his town to each of a number of larger cities. For example, suppose city A delivers 1,000 newspapers in a certain intermediate town and suppose that city B delivers 500 newspapers in that town. Because of the close relationship between newspaper circulation of these cities and the retail trade which these cities draw from the intermediate towns, it is fairly safe to approximate that city A draws about twice as much retail business from the intermediate town as city B.

By calling attention to the fact of "out-of-city trading" in connection with style goods, the law helps the retailer in any-sized city or town to decide whether he should extend or contract his trade territory, and whether he is attempting to serve those classes of people whose trade he is most likely to enjoy.

Almost any retailer, who extends credit, may secure an indication of the geographical extent of his market by analyzing the location of his charge accounts. He is then in a favorable position to discover the proportion of various income classes of people within that territory, to decide which of these classes he wants to serve, and to adapt the merchandise in his store so that it will be more acceptable to those particular classes.

This study will be continued in a subsequent issue.



We cannot place too much emphasis on the value of the national credit survey being made by the U. S. Department of Commerce in the Bureau of Foreign and Domestic relations. The second part has just been released (the first part was charted for you in the May Credit World). Above is a chart prepared and published by the Department of Commerce in their bulletin showing the proportionate amounts of cash, open credit and instalment sales in eight types of stores and on page 52 we have augmented this chart with two more illustrating some high-lights of the grocery and automobile classes.

THese last two issues of the Credit World have been devoted largely to our National Convention. Nothing that your officers, directors, and employees have believed to be of interest, has been left unsaid toward stressing the benefits of attending the National meeting in Toronto.

The appearance of this issue will mark the start of the Convention. Consequently, those of us who are planning to attend will more than likely receive the June copy in Canada.

It remains, therefore, only for us to become acquainted personally with each other. There are those whose names are familiar to everyone of us through their activities in our National organization; there are others with whose works and writings we are familiar, but whose personal acquaintance we have never had the pleasure of making.

Toronto, then, offers a splendid opportunity for us to broaden our acquaintance and to cement existing friendships; thus establishing the personal touch in our later dealings with each other.



Frank T. Caldwell.

The Associated Credit Bureaus of Pennsylvania held their semi-annual convention at the Sterling Hotel in Wilkes-Barre, Pennsylvania, May 26 and 27.

Mr. James D. Hays, Manager of the Harrisburg Credit Exchange, Inc., was the principal speaker at the banquet held in the hotel, May 26, and delivered a most inspiring address.

Matters pertaining to the welfare of the Pennsylvania State organization were discussed at the meeting.

Mr. Walter L. Daniels, Manager of the Mifflin County Credit Exchange, Inc., of Lewistown, was elected President of the State Association, succeeding Mr. Hays.

The National office was represented at the Convention by the Field Secretary.

Service Department members everywhere will be shocked to learn of the death of Andrew A. Billingsley, for many years Secretary of the Retail Merchants Association of Fort Worth, Texas.

Mr. Billingsley was very well known among the credit bureau fraternity of the country and was universally respected as a man of sterling qualities and a thoroughly competent bureau executive.

His place will, indeed, be difficult to fill and the Service Department mourns the loss of a good friend and an able Secretary.

Word has just been received of the sudden death of Mr. A. Scott Hershey,

Secretary of the Longmont, Colorado, Credit Association, on Saturday, May 10.

Mr. Hershey had been a member of the Service Department of this Association since August, 1922. He has always been a strong supporter of the National, and his untimely demise is greatly deplored by his many friends both in Colorado and throughout our Association.

Unusual Honor Accorded Memphis Lady

Mrs. Leah D. Moore, of the Moore Studio, Memphis, Tennessee, was elected President of the Merchants Credit Association of that city at the annual banquet held at the Hotel Gayoso, May 20.

Mrs. Moore is the first lady in the United States to hold this distinction so far as we know, and attaining this office, particularly in an organization as prominent and well known as the Memphis Retail Credit Association, is a tribute to her personal popularity and business ability.

We were delighted to receive news of Mrs. Moore's election and offer our congratulations both personally and on behalf of the entire Association.

The First Annual Convention of the Louisiana Retail Credit Association was held at the Hotel Virginia in Monroe, Louisiana, Monday and Tuesday, May 12 and 13.

This meeting of the new organization was splendidly attended and from the work accomplished, and the interest shown at all sessions, it is apparent that the Louisiana organization is destined to play an important part in the activities of retail business in that State.

Mr. Herbert Ryland, Secretary of the Monroe Credit Men's Association was host, and is to be congratulated on the splendid manner in which arrangements were made to entertain his guests.

Mr. Lewis Levy, Credit Manager of Weiss and Goldring in Alexandria, Louisiana, was elected President of the State organization for the ensuing year, and Baton Rouge was chosen as the next Convention city.

The National office was represented by the Field Secretary, who also spoke at the annual banquet.

Mr. A. B. Sanders brings to our attention that Dr. Stephen I. Miller of the Wholesale Association presented a resolution to his tri-state meeting that was passed. The resolution is a practical courtesy to our organization that we all should appreciate.

Resolution: "Be it resolved that it has become an economic necessity for the retailer who is extending credit to affiliate himself with his local Retail Credit Bureau, thereby reducing losses and increasing turnover on accounts receivable of Retailers, Jobbers and Manufacturers."



Knowledge is Power

In the May Credit World we started a Book Review. There were only a few books reviewed and a few books listed with their sale price that could be purchased through the National Retail Credit Association. The reaction of our readers to this page was very encouraging. Numerous requests were received for the books we listed and some letters commented favorably upon the new feature.

Some opinions, however, were expressed regarding the monotony of continuous business reading and suggestions were made that we review occasionally some good novels and books other than business books.

We believe that the Credit World should hew to the line of business and especially credit, but in view of the evident desire of some of our younger readers for self-advancement and intellectual acquisition we have offered in this issue a general reading course. It is an interesting and thorough course but not an easy one. We feel safe in our assurance to those who tackle it, that when they are through they will be rated as "well read."

Following this course we propose to offer a specially prepared course of reading along general business or commercial lines.



Book Page

READING COURSE

Group I—Introductory

Thomson, J. A., "The Outline of Science" (4 vol.).

Clendening, Logan, "The Human Body."

Kellogg, J. H., "The New Dietetics" pp 1-531; 975-1011.

James, William, "Principles of Psychology" (2 vol.).

Wells, H. G., "The Outline of History" Ch. 1-14.

Sumner, W. G., "Folkways."

Frazer, Sir Jas., "The Golden Bough" (1 vol. ed.).

Group II—Asia and Africa

Breasted and Robinson, "The Human Adventure" (2 vol.) No. 1, ch 2-7.

Wells, ch 15-21, 26.

Brown, Brian, "The Wisdom of China."

The Bible, Genesis, Exodus, Ruth, Esther, Job, Psalms, Proverbs, Ecclesiastes, Solomon, Isaiah, Amos, Micah, Gospels, Apostles, and Epistles.

Faure, Elie, "History of Art" (4 vol) No. 1, Chs 1-3; No. 2, Chs 1-3.

Williams, H. S., "History of Science" (5 vol) No. 1, chs 1-4.

Group III—Greece

Breasted and Robinson, Vol 1, chs 8-19.

Wells, chs 22-25.

Bury, J. B., "History of Greece," 2 vol.

Herodotus, "Histories."

Thucydides, "The Peloponnesian War," Esp. bk 2, ch 6.

Plutarch's Lives.

Murray, Gilbert, "Greek Literature."

Homer, "Iliad," Bryant translation (Selections).

Homer, "Odyssey," Bryant translation (Selections).

Aeschylus, "Prometheus Bound" Eliz. Browning translation.

Sophocles, "Oedipus Tyrannus and Antigone," Young trans.

Euripides, All plays translated by Gilbert Murray.

Plato, "Dialogues" Jowett trans. 1 vol. edition by Irwin Edman (Selections).

Aristotle, "Nicomachean Ethics."

Aristotle, "Politics."

Williams, H. S., No. 1, chs 5-9.

Faure, No. 1, chs 4-7.

Group IV—Rome

Breasted and Robinson, vol. 1, chs 20-30.

Wells, chs 27-29.

Plutarch.

Lucretius, "On the Nature of Things," translation by Munro.

Virgil, "Aeneid." Translation by Wm. Morris (Selections).

Marcus Aurelius, "Meditations."

Williams, Vol. 1, chs 10-11.

Faure, vol 1, ch 8.

Gibbon, Edward, "Decline and Fall of the Roman Empire."

Group V—The Age of Christianity

Breasted and Robinson, Vol 11, ch 1-11.

Wells, ch 30-34.

Gibbon.

Omar Khayyam, "Rubaiyat. Fitzgerald's paraphrase.

Moore, Geo., "Heloise and Abelard."

2 v.

Dante, "Divine Comedy." Trans. Longfellow, or C. E. Norton.

Taine, H., "History of English Literature," bk I.

Chaucer, G., "Canterbury Tales." (Everyman Library.) Selections.

Adams, H., "Mont St. Michel and Chartres."

Williams, bk. II, chs. 1-3.

Faure, vol II, chs. 4-9.

Gray, C., "History of Music," chs. 1-3, 5.

Group VI—The Italian Renaissance

Wells, chr. 35.

Symonds, J. A., "The Renaissance in Italy." 7 v.

Celini, B., "Autobiography." Trans. Symonds.

Vasari, G., "Lives of the Painters and Sculptors. 4 v. Esp. Giotto, Brunelleschi, Botticelli, Fra Angelico, Leonardo da Vinci, Raphael, and Michelangelo.

Hoffding H., "History of Modern Philosophy." 2 v. Sections on Bruno and Machiavelli.

Gray, chs. 6, 8.

Group VII—Europe in the Sixteenth Century

Breasted and Robinson, vol. II, chs. 13-14.

Smith, P., "The Age of the Reformation."

Faguet, E., "The Literature of France"; sections on the 16th century.

Rabelais, "Gargantua and Pantagruel."

Montaigne, "Essays." 3 v. (Everyman Library.) Esp. Of Coaches, Of the Incommodity of Greatness, Of Vanity, and Of Experience.

Cervantes, "Don Quixote."

Shakespeare, "Plays." Esp. Hamlet, Lear, Macbeth, Othello, Romeo and Juliet, Julius Caesar, Henry IV, Merchant of Venice, As You Like It, Midsummer Night's Dream, Timon of Athens, and The Temepest.

Taine, bk. II, chs. 1-4.

Gray, chs. 4, 7.

Williams, bk II, chs. 4-8.

Faure, vol III, chs. 4-6.

CREDITORIALS

(Continued from page 5)

"Whenever a large number of people drastically curtail their purchases of the products of farm, factory and mine, and invest hundreds of millions of dollars in rapidly soaring, inflated intangibles, they are breeding unemployment with its inevitable death to purchasing power.



its powers, build up its institutions, promote all its great interests and see whether we also in our day and generation may not perform something worthy to be remembered."—Inscription on the U. S. Chamber of Commerce building.

Change in Attitude Towards Business Cycle

"Another change has taken place—an important change—the general acceptance of certain fundamental economic concepts by the leaders in business. Some of the newer concepts are:

- (1) That high wages and low costs are essential to a good market for the products of farm, factory and mine.
- (2) That there is a tremendous loss in purchasing power as the result of unemployment.
- (3) That the community that permits its citizens to exhaust their savings and run into debt is slow to recover.

"Whenever a large number of people drastically curtail their purchases of the products of farm, factory and mine, and invest hundreds of millions of dollars in rapidly soaring, inflated intangibles, they are breeding unemployment with its inevitable death to purchasing power.

"When both the employers and the employees put their earnings, their savings, and in some cases their credit, into inflated intangibles, instead of into plants and the products of plants, the end of prosperity is in sight."—Dr. John M. Gries.

FOR SALE

Very reasonable, one National Cash Register Credit Authorization Board with set of generators, capacity twenty lines; good condition. Reason for selling, we purchased larger board. Write us at once. THE CAIN-SLOAN COMPANY, Nashville, Tennessee.

POSITION WANTED

Credit man, now in charge of credits, adjustments and collections for large corporation, who has reached limit of advancement with present organization, wants to open negotiations with firm or association regarding position with a real future to it. Capable of doing research work. Willing to go anywhere. Write Box 118, "The Credit World."

Charts

(Continued from page 43)

tial business tragedy of the employee. Is it the outstanding failure of our economic system?

Basic Need of Nation is Restoration of Purchasing Power

"The basic need of our Nation today is, of course, the restoration of the purchasing power of the masses of the people—and of the confidence of those who now have purchasing power but hesitate to use it because of their fear of the immediate business future."—Hon R. P. Lamont—F. S. Snyder—Alfred Reeves.

"Let us develop the resources of our land, call forth its institutions, promote all its great interests and see whether we also in our day and generation may not perform something worthy to be remembered."—Inscription on the U. S. Chamber of Commerce building.

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One-fifteenth of the world's population performs here one-half of the annual labor of the world.

**BOOKS OF INTEREST**

DULIN. *Collection Letters.* By ROBERT M. DULIN, General Credit Manager, Gates Rubber Co., 95 pp., \$1.75. About 200 successful collection letters, including groups for follow-up in 15, 30, 45, 60, 75, and 90-day periods.

GALLOWAY. *Office Management.* By LEE GALLOWAY, formerly Professor of Commerce and Industry, New York University, 685 pp., \$3.00. An analysis of conditions, standardization, control of personnel and production in departments of purchasing, sales, traffic, credit, advertising, accounting; labor-saving devices, wage plans. 97 charts, forms, reports.

CENTER-HERZBERG. *Secretarial Procedure.* By STELLA S. CENTER, Instructor in Secretarial Training, Extension Division, Columbia University; Head of Department of English, Walton High School; and MAX J. HERZBERG, Instructor in Secretarial Training, Extension Division, Rutgers University; Director in English of all public schools, Newark, N. J. 401 pp., \$3.25. Tells in an interesting and helpful way just what the secretary's duties are in different offices, such as an advertising agency, travel bureau, a welfare organization, a bank, a publisher, and others. Requirements for the social secretary.

SCHOLFIELD. *Filing Department Operation and Control.* By ETHEL E. SCHOLFIELD, formerly Instructor, New York School of Filing, 318 pp., \$3.00. Comprehensive study of the problems relating to filing from the viewpoint of the responsible executive. 38 forms, etc.

WALLACE. *Filing Methods.* By EUGENIA WALLACE, former Librarian, Guaranty Trust Co., and Instructor in Indexing and Filing, Columbia University, 107 pp., \$1.75. Ready-to-use manual for the file clerk, secretary, stenographer, or other worker responsible for filing the records of a business. 13 illustrations.

GARDNER. *New Collection Methods.* By EDWARD H. GARDNER, Professor of Business Administration, University of Wisconsin, 467 pp., \$4.00. Retail, department store, professional, wholesale, mail-order, and installment collections. Credit and collection department organization, and procedure. Successful collection letters.

All books priced here may be purchased through the National Retail Credit Association.

D. E. LEWIS & COMPANY

An organization with
the purpose...to investigate thoroughly...to
think clearly...to plan comprehensively...to
work intelligently...to
serve sincerely. . . .

D. E. LEWIS & COMPANY

. . . Department for the
Collection of Slow Debts

LATHAM SQUARE BUILDING
HOLIDAY 5932, OAKLAND, CALIF.

These Merchandising Changes

(Continued from page 13)

ancient jokes anent that bogey man of buying—the collector for the local installment furniture house? Among many people it was not considered respectable—and certainly not fashionable—even to think of buying on the installment plan. That was the peculiar privilege of what O. Henry called "the four million."

Today we have no "four million" or "four hundred," either, but, instead, a national market of 120 million all eager and reaching for the things that make living more enjoyable, and not too proud to get them by any legal means. Your automobile, radio, phonograph, piano, furniture, common stocks—who cares whether you bought them on the time payment plan or for cash? And who thinks the less—or more—of you?

Huge Installment Volume

The growth of installment selling—or spaced payment buying, as William G. Shepherd puts it—is one of the most revolutionary developments in all merchandising history. Today we do from three to five billion dollars' worth of business on the installment plan. And it is said that 75 per cent of automobiles, 86 per cent of furniture, 80 per cent of electrical household goods and 90 per cent of pianos are sold on time payments.

Thus business finances consumption—and injects another factor into the complex merchandising scheme of today.

Search for Wider Markets

This is the constantly accelerating effort of business to build for itself the machinery for securing new and wider markets, in order to keep the products of its factories from damming up at the source. And parallel with this effort, the dawning knowledge that if these "new" methods are to result in large scale selling, they must be applied to merchandise having a national identity. A national confidence in the makers and distributors of merchandise must be developed among consumers. In short all these new practices were insufficient unto themselves. They required something to back them up and make them operate successfully on a national scale. And the pioneer advertisers were beginning to prove that the UNIFYING and EDUCATIONAL force of national advertising offered the surest means of accomplishing this end.

Hand-to-Mouth Buying

After the War we came into that new and bewildering phase of merchandising which has been called hand-to-mouth buying—and with it the stiffest kind of a buyers' market.

It was indeed a critical stage for business, with our production machinery geared up to turn out many times the amount of goods produced in pre-war days—and a spirit of caution amounting to downright obstinacy per-

THE CREDIT WORLD

Dr. Plummer's is one of the names that will be forever identified with this great contribution to our consumer credit system. Other important names identified with it are Dr. Julius Klein, Assistant Secretary of Commerce, Mr. John Matthews, Acting Director Bureau of Domestic Commerce, Mr. H. C. Drum, Chief Domestic Commerce Division, Mr. LaCrosse, Mr. James R. Hewitt and Mr. R. P. Shealey, our legislative committee chairman and Washington counsel, respectively.

vading consumers, retailers and jobbers.

Hand-to-mouth buying had come to stay. It was evident to business men everywhere that improvement in our distribution system—and the elimination of distribution waste—were now not merely desirable, but critically necessary. As a sidelight on general conditions it is interesting to note that prices declined 44 per cent from May, 1920, to January, 1922.

Transportation Improvement

The whole country was on a cash-and-carry basis. Stocks in retail stores had materially decreased. Advance buying had largely disappeared. Quick delivery in limited quantity was the order on the manufacturer. Rapid stock run, more liquid assets and unrestrained credit, were the rules of the retailer.

More Sales Per Minute

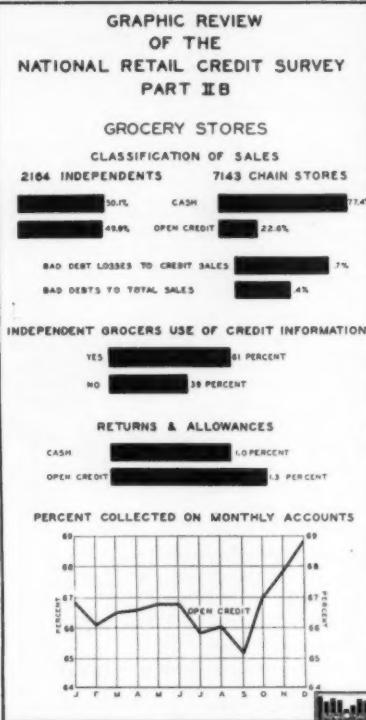
Our mercantile revolution even today has not yet reached its peak, although our system of selling has been completely reversed. Today the public walks into the retailer's store and demands what it wants—even picks the goods of its choice off the shelf and hands the retailer his payment without a word of conversation.

Turnover and yet more turnover—a constantly mounting number of sales revolutions per minute—is the order of 1930 business. And this means not only faster turnover of goods on the retailer's shelves and in the wholesaler's warehouse—but also faster turnover of our factory machinery.

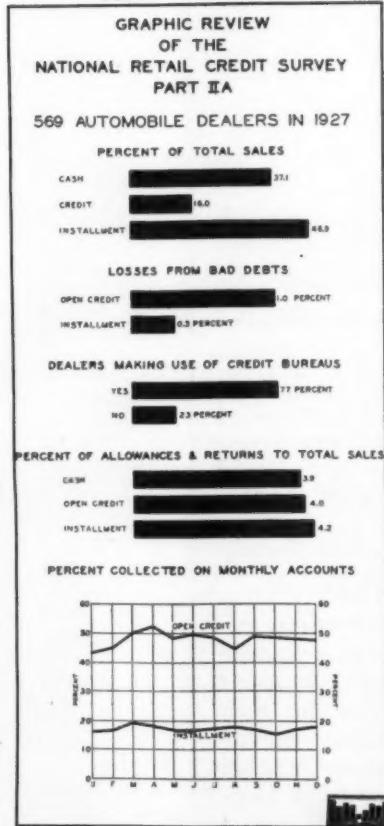
The chain stores have taught us one merchandising lesson. They point the way to widely diversified stocks of FAST MOVING, QUICK SELLING, NATIONALLY KNOWN MERCHANDISE AND THEY WEED OUT THE DEAD WOOD OF LITTLE KNOWN, SLOW MOVING LINES. The manufacturer through a great volume of national advertising has captured the consumer.

With mass production, increasing competition, new uses, new refinements and new products, the pressure on our retail system grows constantly greater. As a consequence, the retail salesman has less and less time for detailed selling effort.

So efficient retailers are turning to "self-selling" or "pressure-less selling" to speed up turnover. This calls for goods which are "sold" to the consumer long before he enters the retail store



Dr. W. C. Plummer of the domestic commerce division of U. S. Chamber of Commerce has commended the Credit World for its aid in charting important facts in the survey they are conducting.



to buy. Goods which have been established as the standard of value in the minds of consumers in every hamlet, town and city of the United States. Goods which the consumer either asks for by name the moment he enters the retailer's store—or which he himself picks off the shelf without parley. Goods which have been sped by the great driving force of national advertising.

National advertising has been one of the primary factors in revolutionizing the process of selling since the days of SITTING BULL.

QUEEN BUILDS A BATH TUB

(Continued from page 16)

of buying on the part of the consumer is making steady changes and the consumer in parting with his dollar is seeking credit service in ever increasing numbers. The manufacturer has passed this on to the wholesaler who in turn has explained the issues to the retailer on the firing line.

We can now buy plumbing and heating comfort for the new or old home on credit just as easy as obtaining the day's groceries or some household necessities at the department store. And this very radical change from the old way has been made possible through the far-sightedness of the executives of such stable institutions as the American Radiator Company, Crane Company and others of like calibre. Their advertising messages teem with their willingness to explain the respective plans by which credit can obtain home comfort services not available before.

Looking at the credit mechanics of these new retailing problems it appears that no new aspects need to be considered. There must be investigational service to make the best estimate of equity in property, validity of ownership and other searches into paying habit experience. Risks take a higher valuation because these plumbing and heating installations are high price commodities in comparison with the usual purchases made in stores. This justifies greater care, requires some additional time for decision and permits a better opportunity to make the most effective use of credit service.

The time is not very far in the future when we shall see only two classes of retailing service offered to the consumer. There will be credit service for those that have established proper paying habits. Cash payment will indicate that the fulfillment of credit requirements has been impossible and cash has been the only other alternative. Since the latter can be a very small portion of our combined retailing potential, we can be gratified with the expectation that credit usage is approaching more extensive fields. This means better service to the consumer and additional profit to the retailer.



Medallion awarded The National Automobile Chamber of Commerce by The American Trade Association Executives.

INTERPRELATION

"Progress through Cooperation"

C O O P E R A T I O N—the most worthy endeavor of modern times and the hope of the future. In its greater aspects as between nations as well as in its lesser between philanthropic, business and industrial enterprises as well as between individuals. The same motive for the whole as for the integral parts.

The three allegorical figures on the medallion symbolize as a group the elements of successful cooperation, which are as follows:

T H E S E A T E D FIGURE—Study, research and record or the inner workings and details of administration.

THE FIGURE ON THE LEFT

IS RETAIL CREDIT A FORCE?

(Continued from page 46)

Merchandise is arrayed and displayed with the art of the ages. Every sphere of advancement, past and present, now contributes to the grand ensemble of merchandising.

I do not believe that there is a line of business catering to the public where fear is such a dominating force. We are so afraid of our customers that instead of educating them along consistent business lines of service, they are educating us upon the foundation of our own weakness, Fear.

Now, if credit is both a force and a gesture, let us harness them together and have them work for more business in retailing; but let us keep in mind the fact that it is much easier to add to the number of gestures than it is to increase the force and power of an industry.

—Counsel, encouragement and intellectual stimulus.

THE FIGURE ON THE RIGHT

—Physical power, action and achievement.

THE CITY—Modern civilization.

THE AIRPLANE AND STEAMSHIP—Some of the factors of transportation and communication that have linked the nations of the world into one great community rendering cooperation a necessity to progress and peace.

« « « » »

Below is the diploma giving honorable mention to the National Retail Credit Association "for the development under able management of a comprehensive system of credit information with great resulting public benefit."

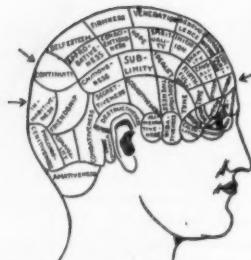


WIT CREDIT

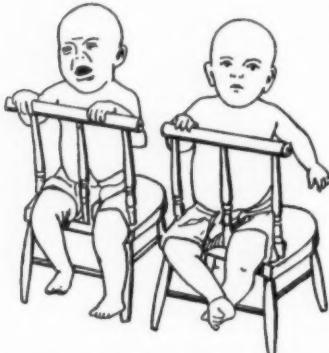
KNOW THY CREDITOR

Being a Compilation of Valueless Information Upon Credit Granting

By Physiognomy



If the subject is difficult to diagnose, ask for a baby picture. You can more readily see the latent tendencies in the infant's bald pate and unadorned physiognomy. Long hair, mustaches and beards (although the latter are not so popular in this generation) all conspire to defeat your analysis and are liable to lose you a great deal of money through misplaced confidence.



Slanting eyes are cunning and deceitful eyes. Beware of them. They are not easily read because sin does all it can to cover its tracks but to those from whose eyes the scales have fallen, the deceitful expression is plainly visible. It lurks like a thief in the night under heavy hung eyelids ready to spring upon the defenseless Credit Man.



"It is very seldom that a man does shop-lifting, and this is therefore almost an exclusive profession for women. If the shoes of shop-lifters are examined, it will invariably be discovered that they wear the soles off across the toe."

"A man who wears his shoes off evenly across the bottom is pretty level-headed. He doesn't go off half-cocked and when he says a thing you can pretty generally rely upon it."

"But when the shoes wear out on the outside of the sole look out for that man. He isn't a man of his word. Don't extend any credit to him, because you're likely not to get paid. He's liable to be a pretty slippery customer in a deal."

Don't overlook these big opportunities of judging your credit risks. Always invite your applicant to put his feet up on your desk so you can get a good look at his sole.

It is helpful to have a phrenological chart in your office for quick comparison with the customer while he (or she) pleads with you for credit. Be adamant unless you can clearly see the three important bumps showing in the chart. They are:

1. Just over the eyes—The memory bump. If well developed, the customer will remember to pay his (or her) bills—if it's a "her" beware of bangs. Ask her to remove her hat and hold her bangs back so you can see if this bump is properly developed.
2. At the back of the head—The continuity bump. If this sticks out so that it interferes with the hat, the customer will continue to pay.
3. And just below, the inhabitiveness bump indicates he (or she) will make paying a habit.

Story by J. Leo Sykes

Salesmanship was aptly illustrated by a story I heard at the National Convention of Retail Credit Jewelers held in Philadelphia last month. This story was told by Professor DeBusse of New York University. He was a Sergeant stationed in a southern campment of negroes in the recent World War. At that time Uncle Sam was trying to sell his insurance to the newly enlisted men. Professor DeBusse's Captain selected him to sell his Company this insurance. He went about it confidentially, expecting no trouble and to his great surprise couldn't put it over, in fact it was very discouraging and he couldn't do anything with the colored boys.

As he walked along trying to formulate some plan that could assist him, a little bow-legged runt walked up to him, saluted and said, "Sergeant, I'm awful sorry to see you make so slow progression with these niggers and I really feels sympathy for you. I wish you would let me try to help you." Professor DeBusse replied, "Just how?" "Well, just let me try tomorrow morning," the little fellow answered.

The following morning the Sergeant assembled the company and procured a soap box upon which the little colored man climbed and started off something like this: "I've been watching our Sergeant trying to sell you insurance and I've seen very much surprised and sorry to see you is such an ignorant lot of niggers. Don't you know that this is a big war and that as soon as you boys is trained you is going to be taken over to France and over there you is got to fight? Now, Uncle Sam has two kinds of soldiers over in France, one kind of soldier is the kind what is up in the Front Line Trenches stopping the German bullets; the other kind of soldier is the kind what stays behind the lines taking care of the mules, the food, the supplies, etc. Now I ask you—which kind of soldier do you think Uncle Sam is going to put in those Front Line Trenches stopping the German bullets? The man what is insured for \$10,000 or the man what ain't insured?"

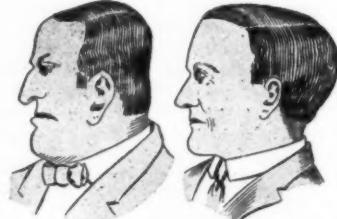
The company fell in line and Sergeant DeBusse had no trouble in insuring every man shortly after.



The above type is always a safe risk. It shows great intelligence, capability, determination and honesty.



There is also the dishonest head as shown above. This is one of the most difficult character signs to read correctly. If it is a tall man the bump may be due to a low cellar ceiling in which his judgment is poor heimemacht; and if he is a little henpecked looking man, it may be a rolling pin bump. At any rate there is one infallible test—tap the bump. If it is sore, you can give the customer the benefit of the doubt.



In respect of married men. There is a type that all Credit Men must guard against—the unreliable husband.

The contrasting types are shown above. The first is liable to dispute his wife's charge accounts while the second will come through like a man. When a wife applies for credit you should ask her cautious questions about her husband's neck.



A lazy man is never safe. Beware of the man who rests his head on his hand while he is talking to you. It is important of course to determine fairly between a headache and laziness. Just ask him if he has a headache. If he says, "No," then he's just plain lazy and although he may be honest, he may also be out of a job when it comes time to pay. (It may also develop that he has a toothache. This may be the case if he doesn't change his prop to the other side. You can nearly always tell if you watch carefully.)



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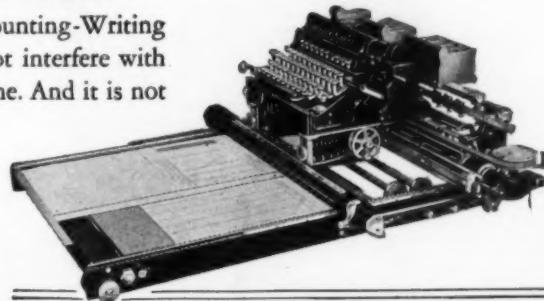
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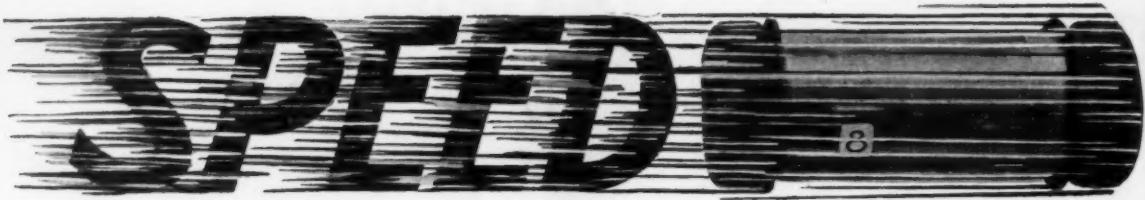
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You are cordially invited to visit our booth at the National Retail Credit Association Convention June 17th to June 20th.



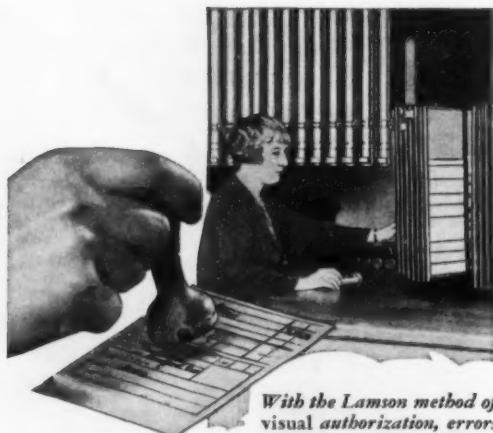
Is Only One of their Advantages

SPEED, so essential to the conduct of modern store business, is inherent in Lamson Clerk Wrap Tubes. Sliding smoothly and silently between salespeople and authorizers, at the rate of 30 feet a second, these carriers offer service that is fast enough to suit the most exacting customers.

But they offer more than merely speed. They give the Credit Manager a credit control that is absolutely "water-tight." Charge slips are carefully examined by

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2. Give uniformly swift service to customers.
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4. Keep the salesperson with the customer for better selling.
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6. Fix authorizing responsibility.
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